



PEACE RIVER REGIONAL DISTRICT

Committee of the Whole Meeting Agenda

June 10, 2021, 10:00 a.m.
1981 Alaska Avenue, Dawson Creek, BC

Pages

1. CALL TO ORDER
2. ADOPTION OF AGENDA
3. GALLERY COMMENTS OR QUESTIONS
4. DELEGATIONS
 - 4.1. MDB Insight - PRRD Economic Model - 10 am - 12 noon (by invitation of the Board) 2
 - 4.2. Deputy Minister of Energy, Mines and Low Carbon Innovation and the BC Oil and Gas Commission - Quarterly Update - 1 pm (by invitation of the Board) 8
5. REPORTS
6. MEDIA QUESTIONS
7. ADJOURNMENT



Peace River Regional District Economic Development Model

Presented by: Paul Blais, MDB Insight, Jordan Tidey, MDB Insight, Jose Rodriguez MDB Insight
Schaun Goodeve, Sub-Consultant

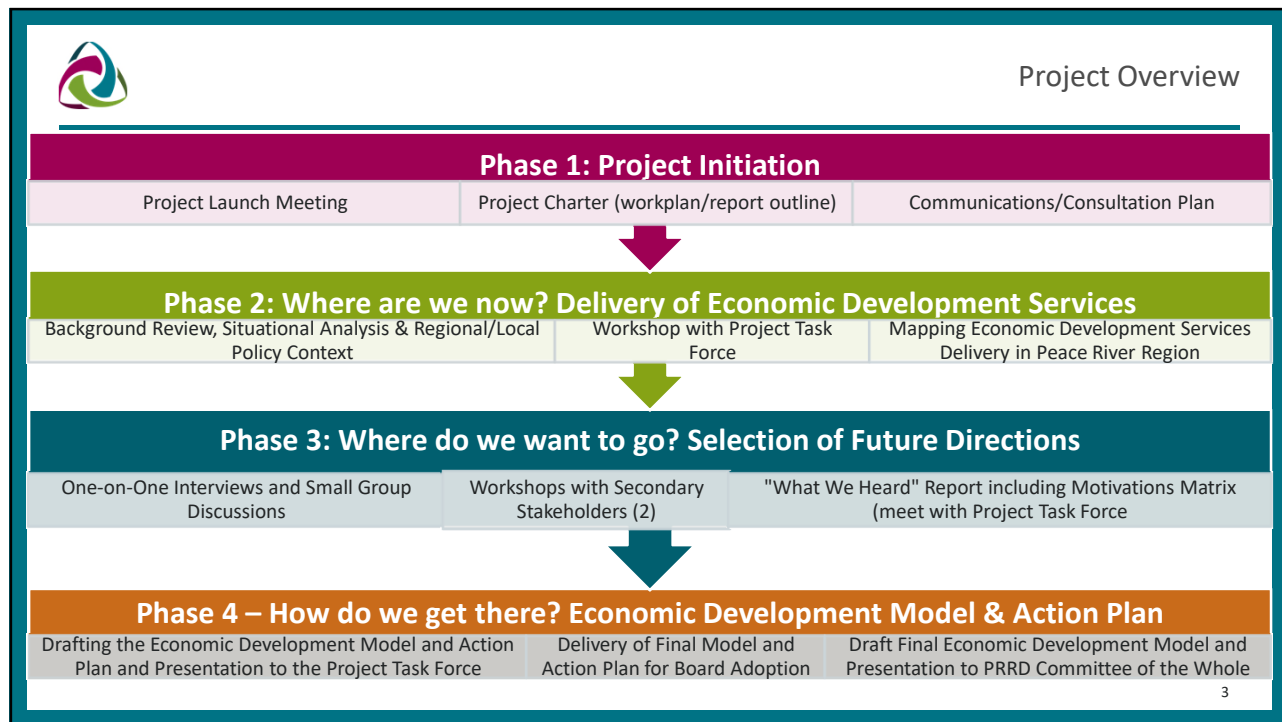
Date: June 2021




Peace River Regional District Economic Model

Agenda

- Welcome & Introductions
- Project Overview
- Discussion
- Next Steps





Discussion

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Peace River Regional District Economic Model

Why a new regional economic model?

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Peace River Regional District Economic Model

What are we doing well now?

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Peace River Regional District Economic Model

What role do you see the Regional District taking with this model?

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Peace River Regional District Economic Model

What does success look like? How has the model impacted the economy of the region?

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Peace River Regional District Economic Model

Planned Engagement: Interview Participants (20 total)

- PRRD Board of Directors (individually)
- Staff of the PRRD and municipalities within the PRRD
- Chetwynd Economic Development Commission
- Chamber of Commerce (all municipalities): Dawson Creek & District Chamber of Commerce, Fort St. John & District Chamber of Commerce, Ft. Nelson Chamber of Commerce, Chetwynd Chamber of Commerce, Tumbler Ridge Chamber of Commerce, Northern Health Authority
- Provincial Agencies: Ministry of Jobs, Economic Recovery & Innovation; Ministry of Agriculture, Food and Fisheries; Ministry of Municipal Affairs; Ministry of Tourism, Arts, Culture, and Sport.
- Federal Agencies: Department of Fisheries and Oceans, Western Economic Diversification

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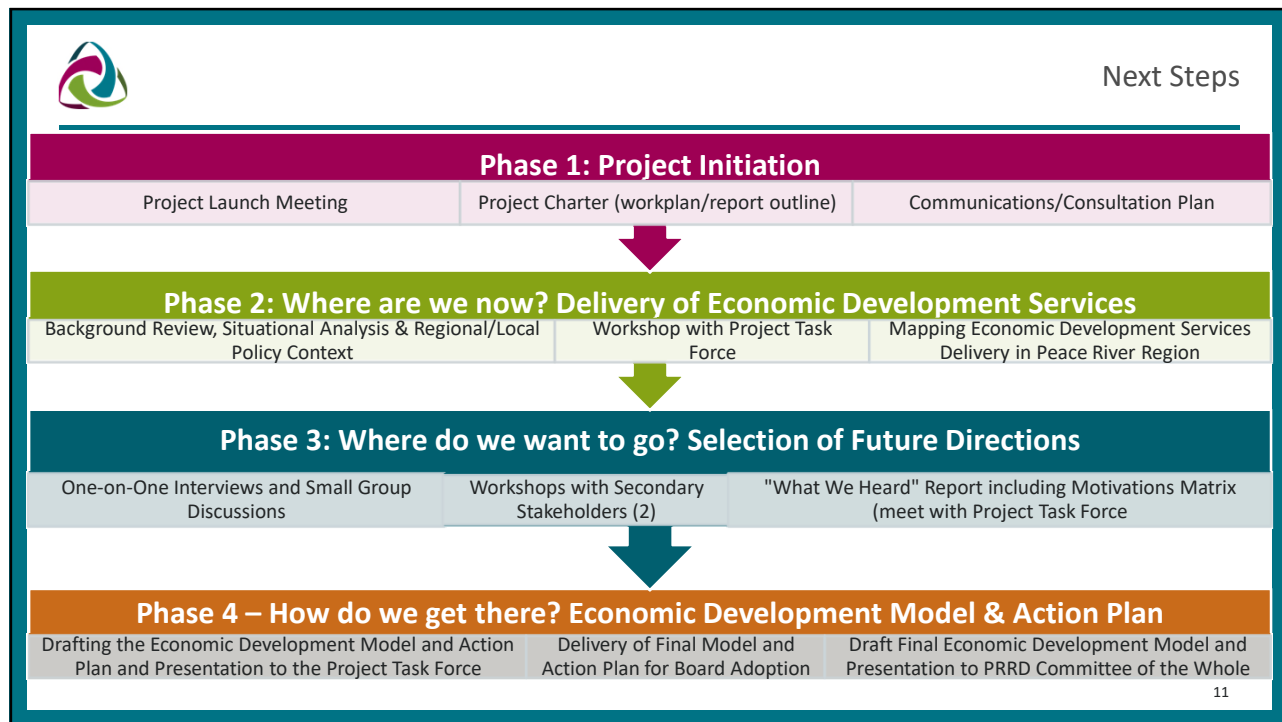


Peace River Regional District Economic Model

Planned Engagement: Workshop Participants (2 Workshops)

- | | |
|---|--|
| • First Nations in the region | • The Women's Institute |
| • Farmers Information Service | • BC Grain Growers |
| • BC North Peace Cattlemen's Association, BC South Peace River Stockmen's Association | • CN/CP |
| • North Peace Seniors Housing Society | • Arts councils |
| • Northern Lights College | • Energy Services BC |
| • Provincial Economic Development Officer | • NEBC Indigenous Employment Database |
| • Dawson Creek Community Futures | • Jobserach online Northeastern BC |
| • Community Service Clubs (e.g. Rotary, Kinsmen) | • Business & Industry Associations |
| • Members of the local construction/development communities | • Employment Connections |
| • Community Hall Associations | • Economic Development Association of BC |
| | • Fort Nelson Employment Centre |

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THANK YOU!

Presentation to the PRRD

Paul Jeakins

Commissioner, Chief Executive Officer
BC Oil and Gas Commission

June 10, 2021



Agenda



- Industry activity During COVID-19
- Orphan Sites
- Industry reclamation
- Industry activity/scenarios
- Stakeholder Survey Results
- Community Engagement
- Indigenous relations partnerships
- Key regulatory initiatives

Industry Activity During COVID-19



- Mostly gas and mostly all focused on the Montney Basin.
- Drilling rigs low for summer 2020 but normal levels now.
- Production started slow but has steadily increased – now at or above last year.
- 2020 raw gas production was 2.18 tcf.
- Companies have switched focus to dry gas.
- Total of 370 wells drilled in 2020.

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Activity During COVID-19



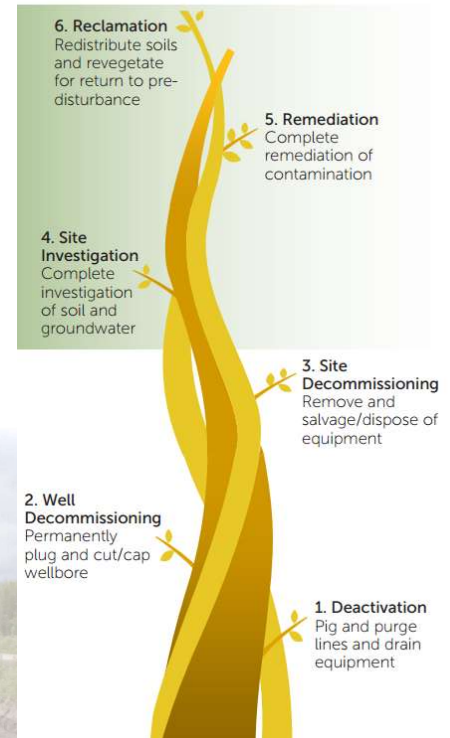
- Application numbers are consistent with previous two years – expecting up to 580 well applications this fiscal.
- More wells decommissioned than drilled last year
 - The Restoration Economy is underway.
- Quality of life issues and interaction with agriculture and environment are top of mind issues.
- We continue to work with industry and local residents on induced seismicity research and information.

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Orphan Site Clean up - Terms

- Orphan Site: An orphan designation is given by the Commission to wells and facilities and associated operating areas when the operator is insolvent or can't be located.
- Dormant Site: Wells and their associated operating areas which for five or more years have not met a certain threshold of activity, but still have a viable operator.
- Legacy Sites: Historic oil and gas related disturbances which do not have associated permit or regulatory obligations.

The Restoration Process



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Orphan Site Clean up

- Currently managing 770 orphan sites – 128 of which are reclaimed
- On track to restore orphan sites within 10 years of designation
- Our \$15 million orphan levy and garnished security funds the annual program
- Received an additional \$15 million last year from the Federal gov't

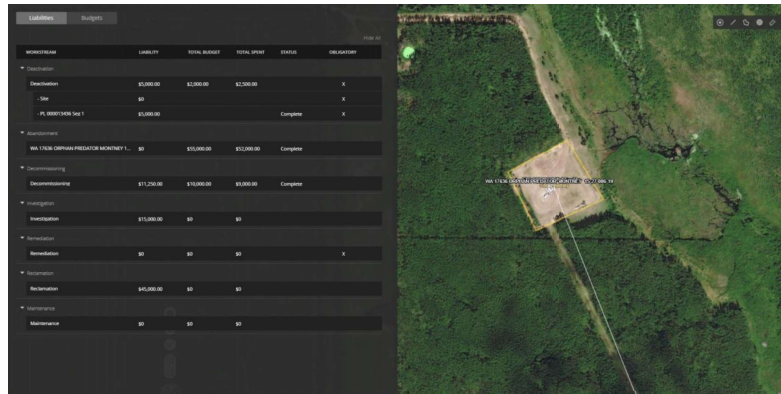


Orphan Site Clean up – Before and After



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Orphan Management Software: Field Share

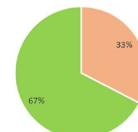


Current Total Orphan Site Population: Stage in Process

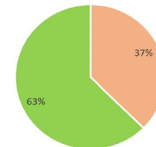
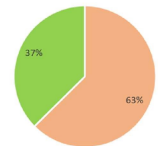
- Our Annual Work Plan was completed by March 31. Meant decommissioning or restoration work on almost 400 sites
- More than 250 sites targeted for clean up this fiscal year
- Working collaboratively with land owners and Indigenous groups in planning and execution

- Shows what proportion of the 770 cumulative orphan site population has passed through each stage in the restoration process
- Number of sites receiving reclamation will grow as sites are decommissioned and investigated
- Program budgets:
 - Last fiscal ~ \$45 million program (base plus supplemental)
 - This fiscal approximately ~\$18M (base plus \$600K supplemental)
 - Next fiscal approximately ~\$15M (base plus security)

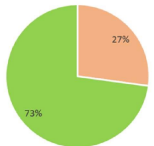
Well Decommissioning



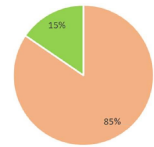
Investigation



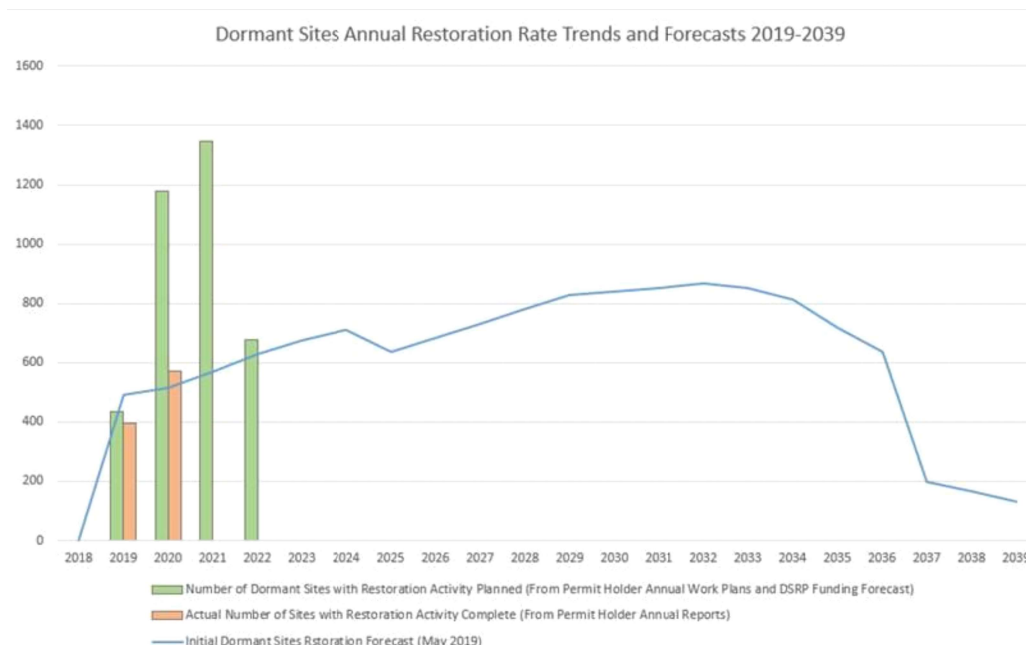
Site Decommissioning



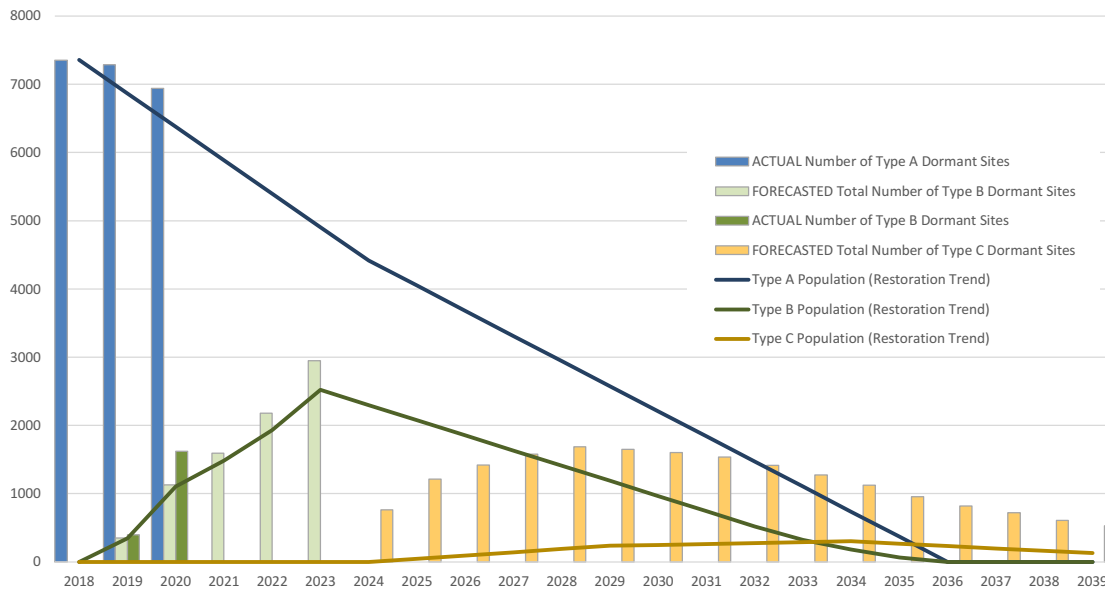
Reclamation



Industry's role and activity in reclamation

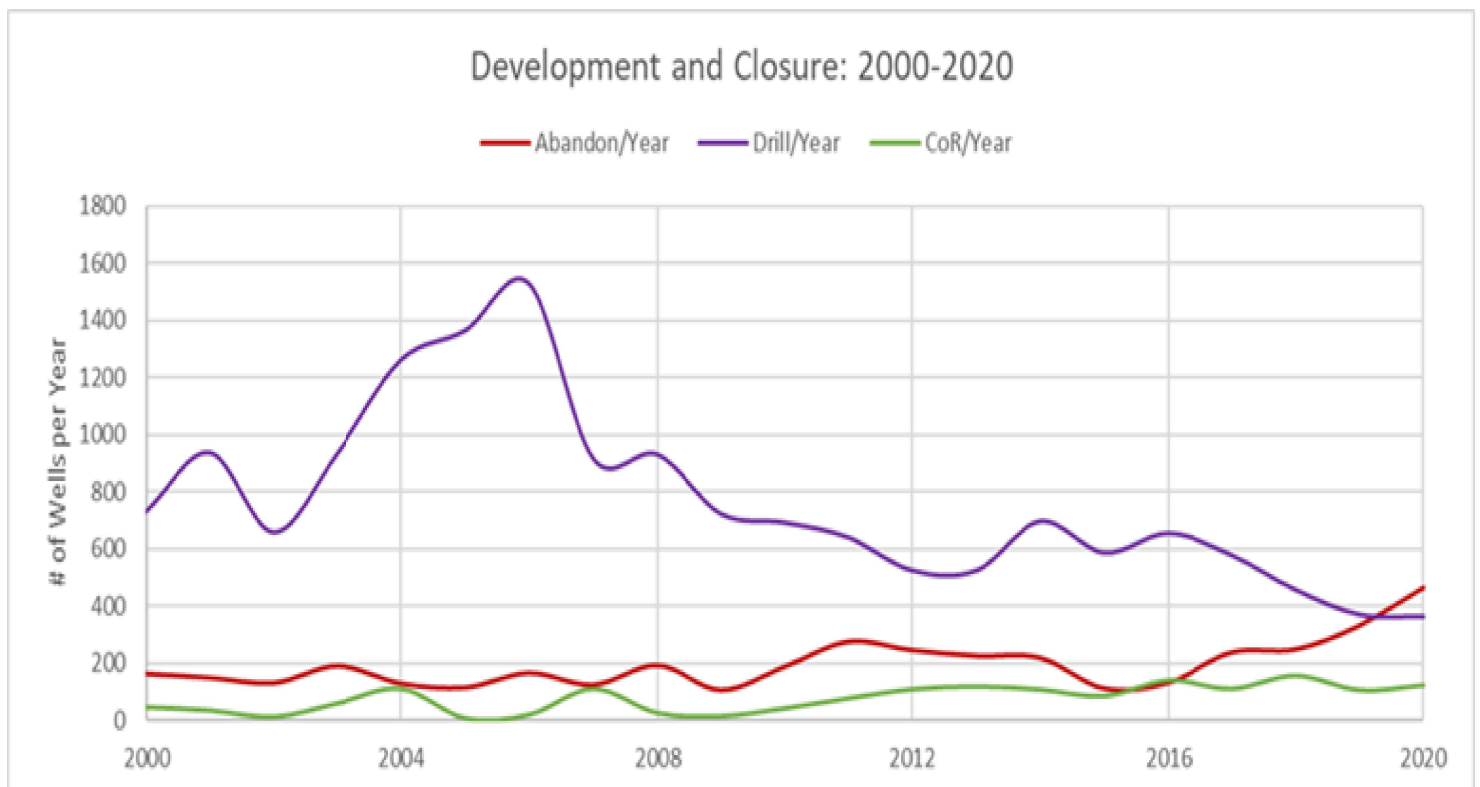


Dormant Site **Population Trends** 2018-2039 (Type A, B, and C Sites)



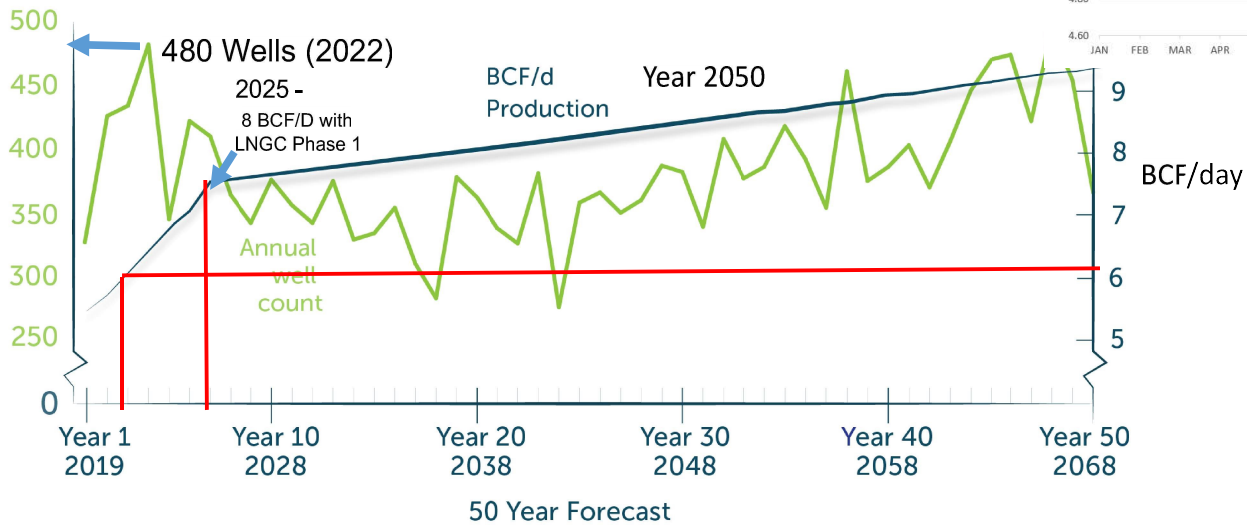
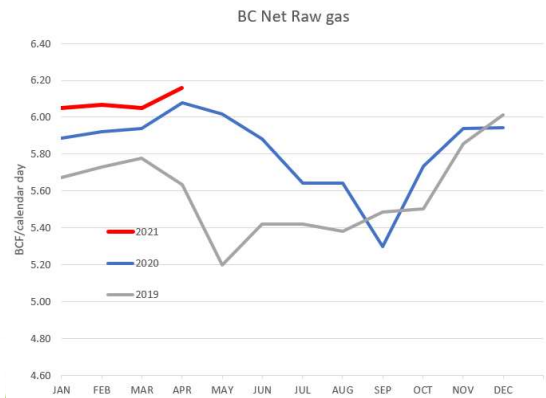
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Development and Closure: 2000-2020



BC Forecast

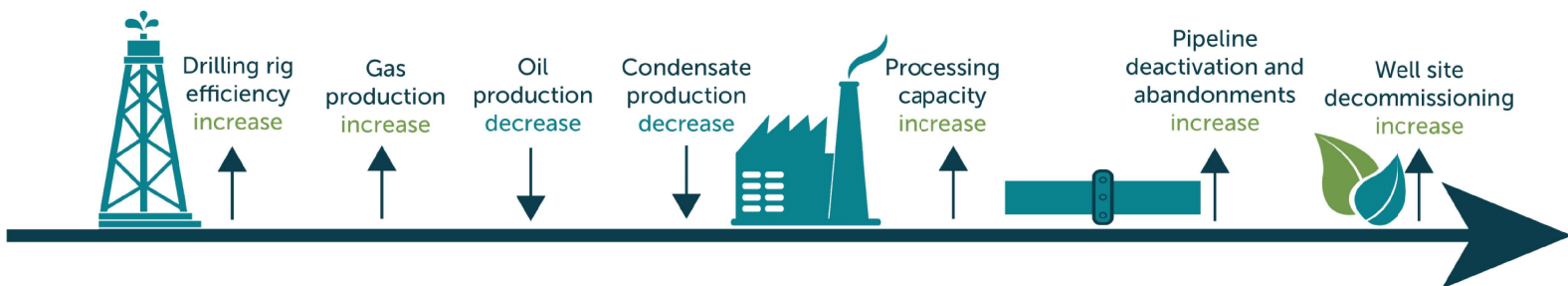
2019 – Actual wells drilled 370
 2020 – Actual wells drilled 383
 2021 – Actual wells drilled 178 (end of April)



Source: Ministry of Energy, Mines and Petroleum Resources

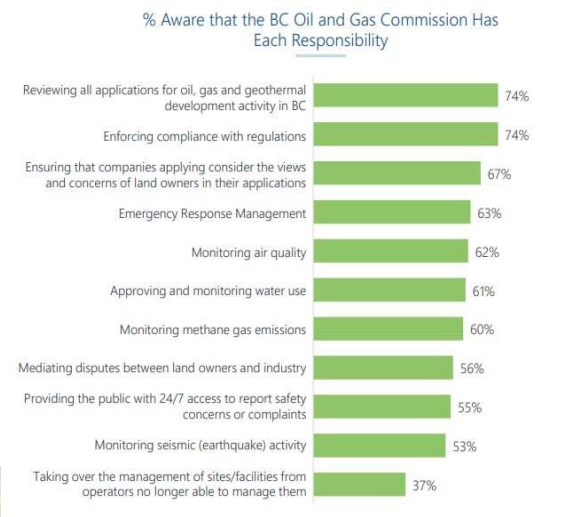
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BC Trends



Stakeholder Survey Results

- Measures and tracks:
 - Awareness and familiarity of oil & gas projects
 - Awareness and familiarity with the Commission's functions
 - Perceptions of the Commission's effectiveness at meeting its goals
 - Past-year usage and performance of various means of engagement for Commission interaction
- Between Jan. 25 and Feb. 22, 2021, almost 6,000 surveys sent out to northeast, central and northwest B.C., 530 returned.



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Stakeholder Survey Results

- Overall awareness of the Commission's responsibilities has increased significantly in last three years
- Awareness highest for our work to reclaim orphan and dormant sites; and prevent impacts from hydraulic fracturing.
- Stakeholders least aware we: provide 24/7 access to report safety concerns; monitor seismic activity; and take over management of sites and facilities when operators no longer are able.
- Performance ratings were generally positive, particularly for office staff, phone staff and email contact. Polite, respectful, accurate and timely responses.
- Most stakeholders aware of the various means of engagement we use to engage. They interacted with us most using our website or social media

Stakeholder Survey Results



- Definitely saw things that we can improve upon
- Suggestions included:
 - Increasing the visibility of the Commission and what it does
 - Ensure stakeholders are kept up-to-date on projects
 - Hiring more locals / more experienced staff
 - Work to reduce the environmental impacts of oil and gas activity
 - Continue to enforce regulations through inspections and compliance

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Community Engagement

- The Stakeholder Relations team continues to reach out to local governments and land owners, despite the restrictions of the pandemic.
 - Since January 2021 this work has included:
- Three webinars on induced seismicity, application review process, and the new Requirements for Consultation and Notification regulation. Based on expressed interest from stakeholders, in July we will host one on how to navigate our website so community members can better find what they need.
- Five information emails were sent out to our Regional Networking Group members made up primarily of land owners who receive and give input about quality of life impacts and initiatives relevant to their interests such as our new light control best practice guidelines.

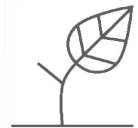
Community Engagement - continued



- Published The Community Connector in May – biannual newsletter about key happenings, regulatory updates, and initiatives to help those affected by oil and gas activities (first published a year ago in June).
- Established an ongoing contact with the new Farmers' Information Service.
- Met recently with Dawson Creek, Tumbler Ridge and Pouce Coupe councils.
- Working on a plan to regain momentum on the individual engagement with land owners done prior to pandemic. May need to be virtual until in-person restrictions have been lifted.

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Indigenous Nations Partnerships



- B.C. passed the Declaration on the Rights of Indigenous Peoples Act – a framework to advance reconciliation
- Commission has a number of partnerships across the Province – focused on every phase of our work – pre application / application review / monitoring / reclamation
- For example:
 - Pre-engagement: Collaborated with Halfway River First Nation to provide transparency on values and tools for proponents.
 - Collaborative Water Monitoring Program: Leading a water research program to gather Western science and Indigenous Knowledge in Northeast B.C.
 - Emerging Restoration Economy: Coordinated \$500,000 in provincial economic recovery funding to develop training programs that support Indigenous participation.

Key Regulatory Initiatives



Include:

- In March 2021, the Commission developed new best practices guidelines for industry to manage light emanating from oil and gas activities.
- In April 2021, the Commission enhanced its (KSMMA) special project order requiring industry to undertake seismic pre-assessments, community engagement and real-time seismic monitoring during hydraulic fracturing operations.
- As of June 1, updated requirements for pre application consultation and notification – increases response timelines.
- Working on a Compliance management information system – will improve data management and communication.
- Working on a security management regulation to address physical and cybersecurity.
- Also working on a new Processing regulation related to gas plants and value added projects.

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Questions?



FACEBOOK



TWITTER



LINKEDIN



INSTAGRAM



YOUTUBE