

2004/12/10

NR/DM
TB/DM
JUS/DM
G. Cake
W. Wells
AG
Deputy Clerk
File

The submission of the Minister of Natural Resources respecting the Development of a Comprehensive Provincial Energy Plan was considered.

The following direction was provided:

- 1) The Minister of Natural Resources is authorized to proceed with the development of a comprehensive Provincial Energy Plan, in the manner proposed by the Minister's submission on file with the Clerk of the Executive Council, for future review and approval by the Executive Council;
- 2) The Minister of Natural Resources is directed to ensure that the development of the Energy Plan is coordinated with related planning activities of Newfoundland and Labrador Hydro including, but not limited to, the restructuring of Newfoundland and Labrador Hydro as a more broadly-based energy corporation; and
- 3) Approval was given for the budget estimate for the energy planning process, as set out in the Minister's submission, and the Minister of Natural Resources is directed to: i) seek the necessary funding and exemptions from the current hiring freeze in respect of Energy Branch positions critical to the energy planning process; ii) submit a detailed budget to Treasury Board; and iii) give consideration to the incremental costs for the Department of Justice.



Deputy Clerk of the Executive Council

NR2004-
EPC2004-

**Summary of
Proposal**

Development of a Comprehensive Energy Plan

The Submission seeks authority to: (i) authorize the Minister of Natural Resources to proceed with the development of a comprehensive Provincial Energy Plan, in the manner proposed by this Memorandum, for future review and approval by the Executive Council; (ii) direct the Minister of Natural Resources to ensure that the development of the Energy Plan is coordinated with related planning activities of Newfoundland and Labrador Hydro including, but not limited to, the restructuring of Newfoundland and Labrador Hydro as a more broadly-based energy corporation; and (iii) approve the budget estimate for the energy planning process, as set out in this Memorandum, and direct the Minister of Natural Resources to seek the necessary funding and exemptions from the current hiring freeze in respect of Energy Branch positions critical to the energy planning process.

**Committee
Recommendation**

The Committee recommends approval of the Submission and that the budget approval process outlined in Recommendation #3 include: (i) submission of a detailed budget to Treasury Board; and (ii) consideration of the incremental costs for the Department of Justice.

**Secretariat
Comment**

1. The 2003 Election Blue Book outlined the need to develop an Energy Plan. The Blue Book states: *A Progressive Conservative government will: Implement an energy plan to ensure that all energy sources are used first to provide a reliable, affordable supply of power for domestic use and for Province-wide economic development, and then to take advantage of business opportunities in export markets to sell energy that is excess to our needs on terms that secure maximum benefits for the Province.*
2. In the 2004/05 Budget, Government announced that the preparation and implementation of a comprehensive Energy Plan is a priority and indicated that the Energy Plan would be developed in consultation with the people of the province.
3. The objective for the Energy Plan is to produce a roadmap of the of major directions and policies that will guide Government's management of the energy sector to ensure that: (i) the energy sector of the Province is a significant long term contributor to the social, economic and environmental sectors; (ii) the revenues and economic benefits generated by the energy sector are optimized; (iii) the energy industry contributes to the protection, and where possible improvement, of the environment of our air, land and the water; (iv) Newfoundlanders and Labradorians have the skills, training and education necessary to capture and create opportunities related to the energy industry; and (v) a business climate is fostered that encourages economic growth both domestically and for exporting opportunities and the development of products, services and R&D/ technologies.
4. There are a number of forces driving the need for the Energy Plan: (i) discovery and development of significant offshore oil resources, and potential from undeveloped natural gas; (ii) the recently announced restructuring of Newfoundland and Labrador Hydro (NLH) to a more broadly-based energy corporation; and (iii) the decision to begin an aggressive action plan to develop the Lower Churchill River and the need to generate capacity for 2011.
5. Energy Plan Development will be a coordinated effort with the following groups:
 1. Energy Planning Team which is composed of NR staff with the Chair being the ADM of Energy will work in tandem with NLH Planning Team and the Labrador Hydro Project group to ensure one energy plan is developed. The team will be composed of a coordinator, administrative manager, research/analyst /writer and outside consultants.
 2. The Submission recommends that an advisory board be struck that will be composed of representatives from departments that have direct or indirect energy responsibilities like Environment and Conservation; Finance and Intergovernmental Affairs Secretariat as well as representatives from NLH Planning Team.

6. NR advises that the budget estimate for completion of the plan will be in the vicinity of \$490,000 to \$550,000 including \$80,000 already approved for 2004/05.
7. The Energy Planning Team has commenced some preparatory work. The team is proceeding to more sharply define objectives, principles and main issues for the Energy Plan. As well a Discussion Paper is presently being prepared that will be used to launch the Energy Plan process; this is expected to be ready for release early in the new year.
8. The Energy Planning process will include a substantial public consultation approach and will invite the views of the public, industry players and associations, educational institutions, regulators, organizations and other interested parties. There will be multiple opportunities for public input and discussion. Some options under consideration include public energy workshops, individual meetings, written submissions and a dedicated web-site.
9. Mr. Roland Martin has been hired as a senior external advisor to provide strategic energy input and public policy expertise. Mr. Martin has been engaged to assist with the initial planning activities. He is a former public servant and has been a key player in the development of Nova Scotia's energy plan and has been extensively involved in this Province's electricity and offshore sectors.
10. The Submission notes the energy plan will take 9 to 12 months to complete.
11. JUS advises it has no concerns with the Submission but will require \$250,000 to provide the required legal services. JUS notes that with the detailed legislative considerations required, expectation of active participation by JUS, the specialized nature of the plan and minimal staff resources; it will require the ability to retain outside counsel for assistance.
12. IGA advises it has no concerns.
13. Communications and Consultation Branch advises the communications plan is thorough and detailed and provides solid analysis and strategy. It also notes that the requirement of \$500,000 (plus potentially \$250,000 for Justice) for completion of the plan and the exemption to the hiring freeze may attract negative criticism in light of budget cuts for basic services, and should be addressed in the Communications Strategy.

Treasury Board Consultation Treasury Board Secretariat recommends that if this proposal is approved, a detailed budget be submitted by the Department for Treasury Board approval.

Action Required Approve the EPC recommendation.

GC
December 7/04

Attach to: NR2004-
EPC2004-

Development of a Comprehensive Provincial Energy Plan

The Submission of the Minister of Natural Resources, seeking approval to proceed with the development of a comprehensive Provincial Energy Plan, was considered by the Economic Policy Committee.

The Minister recommends that the Lieutenant Governor in Council:

1. Authorize the Minister of Natural Resources to proceed with the development of a comprehensive Provincial Energy Plan, in the manner proposed by this Memorandum, for future review and approval by the Executive Council;
2. Direct the Minister of Natural Resources to ensure that the development of the Energy Plan is coordinated with related planning activities of Newfoundland and Labrador Hydro including, but not limited to, the restructuring of Newfoundland and Labrador Hydro as a more broadly-based energy corporation;
3. Approve the budget estimate for the energy planning process, as set out in this Memorandum, and direct the Minister of Natural Resources to seek the necessary funding and exemptions from the current hiring freeze in respect of Energy Branch positions critical to the energy planning process.

The Committee recommends approval of the Submission and that the budget approval process outlined in Recommendation #3 include: (i) submission of a detailed budget to Treasury Board; and (ii) consideration of the incremental costs for the Department of Justice.

December 7, 2004

Attach to: NR2004-
EPC2004-

Title Development of a Comprehensive Provincial Energy Plan

Summary of Proposal

The Submission seeks authority to: (i) authorize the Minister of Natural Resources to proceed with the development of a comprehensive Provincial Energy Plan, in the manner proposed by this Memorandum, for future review and approval by the Executive Council; (ii) direct the Minister of Natural Resources to ensure that the development of the Energy Plan is coordinated with related planning activities of Newfoundland and Labrador Hydro including, but not limited to, the restructuring of Newfoundland and Labrador Hydro as a more broadly-based energy corporation; and (iii) approve the budget estimate for the energy planning process, as set out in this Memorandum, and direct the Minister of Natural Resources to seek the necessary funding and exemptions from the current hiring freeze in respect of Energy Branch positions critical to the energy planning process.

Secretariat Comment

1. The 2003 Election Blue Book outlined the need to develop an Energy Plan. The Blue Book states: A Progressive Conservative government will: *Implement an energy plan to ensure that all energy sources are used first to provide a reliable, affordable supply of power for domestic use and for Province-wide economic development, and then to take advantage of business opportunities in export markets to sell energy that is excess to our needs on terms that secure maximum benefits for the Province.*
2. In the 2004/05 Budget, Government announced that the preparation and implementation of a comprehensive Energy Plan is a priority and indicated that the Energy Plan would be developed in consultation with the people of the province.
3. The objective for the Energy Plan is to produce a roadmap of the of major directions and policies that will guide Government's management of the energy sector to ensure that: (i) the energy sector of the Province is a significant long term contributor to the social, economic and environmental sectors; (ii) the revenues and economic benefits generated by the energy sector are optimized; (iii) the energy industry contributes to the protection, and where possible improvement, of the environment of our air, land and the water; (iv) Newfoundlanders and Labradorians have the skills, training and education necessary to capture and create opportunities related to the energy industry; and (v) a business climate is fostered that encourages economic growth both domestically and for exporting opportunities and the development of products, services and R&D/ technologies.
4. There are a number of forces driving the need for the Energy Plan: (i) discovery and development of significant offshore oil resources, and potential from undeveloped natural gas; (ii) the recently announced restructuring of Newfoundland and Labrador Hydro (NLH) to a more broadly-based energy corporation; and (iii) the decision to begin an aggressive action plan to develop the Lower Churchill River and the need to generate capacity for 2011.
5. Energy Plan Development will be a coordinated effort with the following groups:
 - Energy Planning Team which is composed of NR staff with the Chair being the ADM of Energy will work in tandem with NLH Planning Team and the Labrador Hydro Project group to ensure one energy plan is developed. The team will be composed of a coordinator, administrative manager, research/analyst /writer and outside consultants.
 - The Submission recommends that an advisory board be struck that will be composed of representatives from departments that have direct or indirect energy responsibilities like

Environment and Conservation; Finance and Intergovernmental Affairs Secretariat as well as representatives from NLH Planning Team.

6. NR advises that the budget estimate for completion of the plan will be in the vicinity of \$490,000 to \$550,000 including \$80,000 already approved for 2004/05.
7. The Energy Planning Team has commenced some preparatory work. The team is proceeding to more sharply define objectives, principles and main issues for the Energy Plan. As well a Discussion Paper is presently being prepared that will be used to launch the Energy Plan process; this is expected to be ready for release early in the new year.
8. The Energy Planning process will include a substantial public consultation approach and will invite the views of the public, industry players and associations, educational institutions, regulators, organizations and other interested parties. There will be multiple opportunities for public input and discussion. Some options under consideration include public energy workshops, individual meetings, written submissions and a dedicated web-site.
9. Mr. Roland Martin has been hired as a senior external advisor to provide strategic energy input and public policy expertise. Mr. Martin has been engaged to assist with the initial planning activities. He is a former public servant and has been a key player in the development of Nova Scotia's energy plan and has been extensively involved in this Province's electricity and offshore sectors.
10. The Submission notes the energy plan will take 9 to 12 months to complete.
11. JUS advises it has no concerns with the Submission but will require \$250,000 to provide the required legal services. JUS notes that with the detailed legislative considerations required, expectation of active participation by JUS, the specialized nature of the plan and minimal staff resources; it will require the ability to retain outside counsel for assistance.
12. IGA advises it has no concerns.
13. Communications and Consultation Branch advises the communications plan is thorough and detailed and provides solid analysis and strategy. It also notes that the requirement of \$500,000 (plus potentially \$250,000 for Justice) for completion of the plan and the exemption to the hiring freeze may attract negative criticism in light of budget cuts for basic services, and should be addressed in the Communications Strategy.

Treasury Board Consultation The TBS recommends that if this proposal is approved, a detailed budget be submitted by the Department for Treasury Board review and approval.

Secretariat Recommendation Cabinet Secretariat recommends approval of the Submission and that the budget approval process outlined in Recommendation #3 include: (1) submission of a detailed budget to Treasury Board; and (2) consideration of the incremental costs for the Department of Justice.

EOR/GC
December 6, 2004

EPC

Executive Council

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NR 2004- [REDACTED]

2004- [REDACTED]

FILE COPY

Title: Development of a Comprehensive Provincial Energy Plan

ISSUE:

Whether to authorize the Minister of Natural Resources to proceed with the development of a comprehensive Provincial Energy Plan (the "Energy Plan"), in the manner proposed by this Memorandum.

RECOMMENDATIONS:

It is recommended that the Lieutenant-Governor in Council:

1. Authorize the Minister of Natural Resources to proceed with the development of a comprehensive Provincial Energy Plan, in the manner proposed by this Memorandum, for future review and approval by the Executive Council;
2. Direct the Minister of Natural Resources to ensure that the development of the Energy Plan is coordinated with related planning activities of Newfoundland and Labrador Hydro including, but not limited to, the restructuring of Newfoundland and Labrador Hydro as a more broadly-based energy corporation;
3. Approve the budget estimate for the energy planning process, as set out in this Memorandum, and direct the Minister of Natural Resources to seek the necessary funding and exemptions from the current hiring freeze in respect of Energy Branch positions critical to the energy planning process.

BACKGROUND:

The Progressive Conservative Party's 2003 election Blue Book outlined a number of energy policy positions, two of which were the need for an Energy Plan and an intention to either

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restructure Newfoundland and Labrador Hydro (NLH) or create a new Energy Corporation. Recently, Government announced that NLH will be restructured as a more broadly-based energy corporation.

The planning processes of NLH and the Department of Natural Resources (the "Department") need to be defined and coordinated from the start if Government is to avoid having "two energy plans". The individual planning teams of NLH and the Department will establish a close working relationship to ensure the two planning processes are coordinated and duplication is avoided, and more importantly, no major objectives and/or components of a provincial Energy Plan are overlooked.

The development of the Energy Plan will be a strategic process and, when completed, has the potential to have a significant impact on the Province's economy, society and its environment. The objective is to produce a "roadmap" of the major directions and policies that will guide Government's management of the energy sector for the Province so that the returns to the people of this Province from its energy resources are optimized. It will be shaped by long-term thinking, taking into account significant future milestones, such as 2041 when the Upper Churchill contract expires. It will clearly demonstrate Government's leadership in this important sector, and how it plans to achieve its vision for the energy industry. It will provide increased clarity and certainty for private sector entrepreneurs and investors, for regulators, and all levels of government - provincial, federal and municipal.

There are a number of forces driving the need for an Energy Plan. These include:

- The great potential and opportunity as a result of the discovery and development of significant offshore oil resources, and the potential from undeveloped natural gas resources offshore Labrador and Newfoundland;
- The recently announced policies to restructure NLH as a more broadly-based energy corporation including renewable energy sources and other possible energy activities; the decision to begin an aggressive action plan to develop the hydro-electric opportunities of the Lower Churchill River; and the need to plan for new generating capacity for 2011;

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- The rapidly increasing awareness of environmental issues involving the energy industry, including Climate Change;
- In addition to provincial changes, the national and global energy sectors are also experiencing extraordinary changes in supply, demand and prices for fossil fuels; and rapidly evolving technologies for renewable energy sources.

The objective for the Energy Plan is to produce a "roadmap" of the major directions and policies that will guide Government's management of the energy sector to ensure that:

- The energy industry in Newfoundland and Labrador is a significant long-term contributor to the social, economic and environmental sectors of our Province;
- The revenues and economic benefits generated by the energy industry are optimized for the citizens of our Province;
- The energy industry contributes to the protection, and where possible improvement, of the environment of our air, land and the water;
- Newfoundlanders and Labradorians have the skills, training and education necessary to capture and create opportunities related to the energy industry in the Province and world-wide;
- A business climate is fostered that encourages economic growth both domestically and for exporting opportunities and the development of products, services and R&D/ technologies that are globally competitive and of world-class quality.

The Department will have the prime responsibility for developing the Energy Plan, working in tandem with the restructuring process for NLH. It is expected that the Energy Plan process will take 9-12 months to complete following approval of this Memorandum.

The energy planning process will need the financial budget and human resources required to meet the objectives and time-lines established for it. The budget estimate to cover consultation, travel, communication, external research and advice, and production/publication is in the range of \$490,000-\$550,000, of which \$80,000 has already been approved in fiscal 2004-05.

The energy planning processes will be facilitated by a team. In addition to a senior external advisor to provide strategic energy input and public policy expertise, the team will have a coordinator, administrative manager, research/analyst/writer, and specific outside consultants for certain aspects of the work plan. The team leader (Assistant Deputy Minister, Energy Branch), Departmental Directors and staff will need to dedicate between 15-25% of their time in support of the Energy Plan process over the 9-12 month period, so that in total it can be expected that 4-6 person-years of work plus external advisors will be required. The budget estimate does not include any cost allocation for the time of Departmental personnel or other government/agency human resources. It should be noted that these may be a complicating factor, given other demands on the Energy Branch.

It is also recommended that an interdepartmental advisory committee comprised of representatives from other functional areas of government that have direct or indirect energy responsibilities (examples being, Environment and Conservation, Finance, IGAS) , together with representatives from the NLH planning team, will provide government-wide policy and support to the Energy Plan Team.

To illustrate the scope of the exercise, the following is an initial list of areas that will form part of the Energy Plan work plan:

- Offshore oil;
- Offshore natural gas ;
- Electricity (coordinated with Newfoundland and Labrador Hydro's planning activities);
- On-land energy sources;
- Energy and economic development (benefits from the energy sectors);
- R&D, education, training and technologies for an energy sector;
- Fiscal regimes (royalties, taxation and incentives);
- The environment-air pollutants and Climate Change;
- Fisheries and oceans energy issues and relationships;
- Intergovernmental energy issues including federal/provincial;
- The role of government departments, NLH, CNOPB, and PUB;
- Legislative requirements for an effective energy industry.

ALTERNATIVES:

1. **Proceed with the development of the Energy Plan, as set out in this Memorandum.** *This is the recommended course of action.* The Energy Plan will provide a comprehensive “roadmap” of the major policy directions and policies that will guide Government’s management of the energy sector. This will provide clarity in terms of Government’s vision for the energy sector and ensure consistency in approach to issues as they arise.
2. **Defer the Energy Plan in favour of an issue by issue approach to setting energy policy.** *This is not the recommended course of action.* Government has an ambitious agenda for the energy sector and is already moving forward with key aspects of that agenda, such as the restructuring of NLH and seeking expressions of interest for the development of Lower Churchill. A comprehensive energy planning process will ensure a coordinated and consistent approach to Government’s management of the energy sector.

LEGAL/LEGISLATIVE CONSIDERATIONS:

There are no specific legal/legislative considerations currently identified or related to the development of the Energy Plan. However, the development of the Energy Plan will require detailed consideration of legislation governing the energy industry and, therefore, will require the active involvement of Justice. Furthermore, the Energy Plan may recommend legislative changes to implement policy decisions.

FINANCIAL CONSIDERATIONS:

The budget estimate for the development of the Energy Plan is in the range of \$490,000-\$550,000, of which \$80,000 has already been approved in fiscal 2004-05. As noted above, this process will place significant additional demands on the staff of the Energy Branch of the Department. In addition, the Energy Branch has lost a number of staff this fiscal year in positions critical to the development of the Energy Plan. These vacancies will need to be filled for this planning process to be completed efficiently and to the professional standards required. The Department will require exemptions from the current hiring freeze so that these Energy Branch positions can be filled on an expeditious basis.

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INTERDEPARTMENTAL CONSIDERATIONS:

Development of the Energy Plan will require the involvement and input of departments with direct or indirect energy responsibilities, and NLH planning team. Early in its work, the Department will ensure that processes are put in place to engage departments and NLH.

INTERGOVERNMENTAL CONSIDERATIONS:

Federal departments and agencies, such as Natural Resources Canada, Environment Canada and the Department of Fisheries and Oceans, will be consulted in the development of the Energy Plan.

OTHER JURISDICTIONS:

Other jurisdictions, including Nova Scotia and British Columbia, have recently conducted energy planning exercises. The experiences of these jurisdictions will be taken into account by the Department.

CONSULTATIONS:

The Energy Plan Team will consult widely in developing the Energy Plan. As noted in the attached Communications Plan, a consultative process will invite the views of the public, industry players and associations, educational institutions, regulators, organizations and other interested parties. There will be multiple opportunities for public input and discussion. Some options under consideration include public energy workshops, individual meetings, written submissions and a dedicated web-site. Consultations will be supported by an Energy Plan Discussion Paper.

ENVIRONMENTAL CONSIDERATIONS:

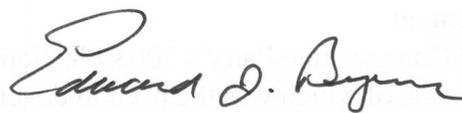
The Energy Plan will specifically consider environmental matters related to the energy sector, such as energy efficiency and conservation. The Energy Plan will not duplicate work already in process, such as the development of the Province's Climate Change Action Plan, but will be complementary. Environment and Conservation will be consulted on all environmental issues addressed by the Energy Plan.

COMMUNICATIONS AND CONSULTATIONS SYNOPSIS:

Attached as Annex A.

ANNEXES:

Annex A - Communications Plan



EDWARD J. BYRNE
Minister of Natural Resources

October 29, 2004

Attachments (1)

Annex A



for internal use



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| <p>Consulted with: Energy Plan Team, DNR (then) CCB Premier's Office</p> | <p>Date Drafted: Oct 23, 2004</p> | <p>Anticipated Announcement: to be determined</p> |
|---|--|--|

A. COMMUNICATIONS ANALYSIS

Public Environment

The Progressive Conservative Party's 2003 Election Blue Book outlined a number of energy policy positions, one of which was the need to develop a provincial energy plan . The Blue Book states:

A Progressive Conservative government will: Implement an energy plan to ensure that all energy sources are used first to provide a reliable, affordable supply of power for domestic use and for Province-wide economic development, and then to take advantage of business opportunities in export markets to sell energy that is excess to our needs on terms that secure maximum benefits for the Province.

In Budget 2004/05, Government announced that the preparation and implementation of a comprehensive Energy Plan is a priority and indicated that the Energy Plan would be developed in consultation with the people of the Province. On 12 February 2004, during a press conference to release of a report commissioned by the previous government on the cost of Newfoundland and Labrador Hydro acquiring Newfoundland Power, the Minister of Natural Resources indicated that in developing a long-term plan for the electricity industry, Government would look at all options - including the Lower Churchill and what, if anything, should be done with the industry structure.

The Blue Book also indicated an intention to either restructure Newfoundland and Labrador Hydro or create a new Energy Corporation. The Blue Book states:

A Progressive Conservative government will either restructure Newfoundland and Labrador Hydro as an energy company, or create a new Energy Corporation, with a mandate to retain equity in the Province's oil and gas resources. This will be done on a go-forward basis.

A new Newfoundland and Labrador Energy Corporation's mission will be to absorb all the expertise it can from the major oil companies, so that the Province

will have the capacity and expertise to participate in and benefit from decisions regarding exploration, production, and processing of oil and gas in the Province.

A major mandate of the Newfoundland and Labrador Energy Corporation would be to work with the major oil companies to develop natural gas as a competitively priced alternative energy source for the Province, and for transportation to Canadian and U.S. markets.

On 20 September 2004, Premier Williams announced that Newfoundland and Labrador Hydro will be restructured to become the Province's primary crown-owned energy corporation. Simultaneously he announced: the appointment of Dean MacDonald as the new chairman of the corporation, the start of a recruitment program to replace the retiring CEO Bill Wells, and the intention to launch a world-wide Expression of Interest process for interested parties to develop the Lower Churchill River hydro projects at Gull Island and Muskrat Falls.

Target Audiences

External

- Electricity Industry
 - Newfoundland and Labrador Hydro
 - Newfoundland Power
 - Abitibi-Price Consolidated
 - Kruger Ltd. (Corner Brook Pulp and Paper Ltd.)
 - Industrial electricity users
 - Abitibi-Price Consolidated
 - Corner Brook Pulp and Paper Ltd.
 - Iron Ore Company of Canada
 - Wabush Mines
 - Voisey Bay Nickel Inc.
- Petroleum industry
 - Key offshore companies (ie Exxon-Mobil, HMDC, Petro-Canada, Husky Energy, Norsk Hydro, Chevron, Conocco-Phillips, Murphy Oil)
 - Key onshore companies (ie Vulcan Minerals, Deer Lake Oil and Gas, Canadian Imperial Ventures Ltd.)
 - Newfoundland Ocean Industries Association
 - Canadian Association of Petroleum Producers (CAPP)
- Other key stakeholders
 - Canada-Newfoundland Offshore Petroleum Board (C-NOPB)
 - Public Utilities Board
 - Consumer Advocate
 - One Ocean
 - Canadian Electrical Association of Canada
 - Chamber of Mineral Resources
 - Boards of Trade/Chambers of Commerce
 - Regional economic zones
 - Municipalities

- Educational institutions - Memorial University, College of the North Atlantic, Sir Wilfred Grenfell College
- Other provinces
- Federal government departments and agencies (eg., NRCan, CEAA, DFO, NEB)
- Opposition parties
- General public
- Media

Internal

- Employees of the Energy Branch, Department of Natural Resources
- Office of the Premier
- Department of Innovation Trade and Rural Development
- Department of Environment and Conservation
- Department of Finance
- Department of Justice
- Department of Education
- Intergovernmental Affairs Secretariat

Consultation

It is important to note that the Energy Plan process is at a very preliminary stage. An Energy Plan Team of Departmental officials was recently constituted. Confirmation as to the general scope of the Energy Plan and approach to its development is being sought from Cabinet by this Memorandum.

In advance of Cabinet approval/direction, the Team is proceeding to more sharply define objectives, principles and main issues for the Energy Plan exercise. This work will assist in the development of a detailed Communications and Consultation Plan, which is recognized as a priority exercise. While the details of the Communications and Consultation Plan remain to be defined, the Minister has provided some parameters to the Team:

- The Minister will play an active role in the consultation process;
- The process will satisfy Government's commitment to consult widely in the development of the Energy Plan and will provide multiple opportunities/means for public input;
- Consultations will be supported by a Discussion Paper which provides the public with necessary background and poses strategic questions regarding the direction and policies Government should follow in managing the energy sector;
- Public sessions, of some format, will be held in strategic locations in Labrador and Newfoundland;
- The public will be provided with the opportunity to make submissions in writing without having to attend public sessions;
- Direct consultations with key stakeholders will be part of the process; and
- Information will be available to the public via a dedicated Energy Plan website.

Communications Objectives

- To demonstrate that Government is living up to its Blue Book commitment to develop a comprehensive provincial Energy Plan.
- To communicate the rationale for the development of an Energy Plan.

- To communicate the relationship between the development of an Energy Plan and other planning activities related to the future mandate/role of Newfoundland and Labrador Hydro.
- To educate the public on a broad range of energy issues.
- To demonstrate that Government is consulting with key stakeholders and the general public in the development of a provincial Energy Plan.
- To develop an Energy Plan that is widely supported by the public and key stakeholders.

Messages

- Government is embarking on a process that will lead to the development a comprehensive provincial Energy Plan for Newfoundland and Labrador.
- The development of an Energy Plan will be a strategic process and will take between 9-12 months to complete.
- Our objective is to develop an Energy Plan that will be a “road map” of the major directions and policies to guide Government’s management of the energy sector.
- The Energy Plan will support Government’s policy to maximize benefits from this sector for the people of Newfoundland and Labrador.
- The energy planning process will be coordinated with activities already underway, such as the restructuring of Newfoundland and Labrador Hydro.
- We are committed to developing the Energy Plan in consultation with the people of this province and key stakeholders.

B. COMMUNICATIONS ACTIVITIES

Communications and Consultations activities will be defined in the near future, following Cabinet approval of this Memorandum and the initial planning activities of the Team referred to above. Both will shape the final Communications and Consultations Plan.

Strategic Considerations

It is anticipated that there will be a high level of interest among the public and key stakeholders in the Energy Plan process. This interest may be tempered with some scepticism, as the previous energy policy reviews, such as the Electricity Policy Review, have not resulted in a public statement as to findings or recommendations.

To address both of these strategic considerations, it will be important for Government to clearly articulate its goals and objectives for the process. The planning activities currently underway, including this Memorandum, will ensure that Government will be in a position prior to a public launch of the Energy Plan process to clearly communicate these goals and objectives.

Interdepartmental Coordination

As noted in the Memorandum, the Team will engage officials of other departments with direct or indirect energy responsibilities, as well as Newfoundland and Labrador Hydro.

External Communications/Consultation Activities

A critical consideration is whether Government should publicly “launch” the Energy Plan exercise prior to the completion of the Discussion Paper. The Discussion Paper should be ready for release early in the New Year (late January/early February 2005). There may be a strategic

advantage in making the release of the Discussion Paper the “launch” of the process, as Government will at this point have its objectives and goals clearly defined in the Discussion Paper and be able to present a detailed outline of the consultation process.

The release of the Discussion Paper will be followed by a period of consultations (public sessions, written submissions, direct meetings) spanning late Winter and Spring 2005. Focused analysis and follow-up meetings will occupy the remainder of the Spring/Summer 2005. It is anticipated that the Final Energy Plan document will be ready for release late 2005.

Internal Communications Activities

To ensure the success of this initiative, internal communications should be given the same level of attention as the external communications. A sound approach to internal communications will ensure the support and input of other departments, senior managers, Cabinet and employees of the Department of Natural Resources, particularly those within the Energy Branch.

Minister’s Involvement

The Minister will be the lead spokesperson for government on this issue. However, since it is a key commitment of this government, the Premier should also be prepared to speak to it and as such communications materials should be regularly provided to the Premier’s Office.

Follow-up Activities

- As part of the Team’s initial planning activities, a detailed Communications and Consultation Plan for the process will be developed for approval by the Minister.
- Media monitoring will be undertaken to ensure that Government’s key messages are being received.
- The level of response and feedback will also be regularly monitored and further communications planning may have to occur to ensure that the process is successful.

Evaluation Criteria

The success of the communications and consultation planning will be defined by the success of the development of the Energy Plan.

Prepared by: Carmel Turpin

To be attached to NR2004-



**GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR**

EXECUTIVE COUNCIL
Treasury Board

November 23, 2004

MINISTERS OFFICE
Dept. of Natural Resources
DEC 01 2004
Attn: *Bruce*

Honourable Edward J. Byrne, MHA
Minister of Natural Resources

Dear Colleague:

Re: Development of a Comprehensive Provincial Energy Plan

This will acknowledge receipt of your letter dated November 2, 2004 seeking approval to bring forward a Cabinet submission on the development of a comprehensive provincial energy plan. I note that this proposal is estimated to cost \$490,000 - \$550,000, of which only \$80,000 has been provided for in the Department's 2004-05 Estimates.

Please be advised that you have my concurrence with bringing this matter forward for the consideration of our colleagues with the understanding that the full cost of the plan will be funded from within your existing budgetary allocations.

The Honourable Loyola Sullivan
Minister of Finance
President of Treasury Board

From: Blair Matthews
To: Ed O'Reilly
Date: 12/6/04 8:43AM
Subject: Energy Paper...

NR2004



Hi Ed.

The Paper is fine from the IGAS policy perspective.

I shall deliver the original paper back to you this morning by hand.

Regards - BCM

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CC: Thomas Graham

From: Kevin D Power
To: Ed O'Reilly
Date: 12/3/04 12:08PM
Subject: NR2004-022 Provincial Energy Policy

The TB Secretariat acknowledges the need for the development of a comprehensive Provincial Energy Plan (policy) for Cabinet's consideration especially in regards to clarification of Government's priorities and preferences for the utilization of low-cost electrical energy as an economic development tool and as a Provincial revenue generator.

The proposal indicates that the energy planning process will need a commitment of financial and human resources to meet the objectives and time-lines established for it. Further, it notes a total budgetary requirement of \$490,000 to \$550,000, of which \$80,000 was provided in fiscal 2004/05. Thus, an additional commitment of between \$410,000 and \$470,000 will be required during period 2004/05 to 2005/06.

The TB Secretariat recommends that if this proposal is approved, a detailed budget be submitted by the Department for Treasury Board review and approval.

I trust that this commentary is helpful.
Kevin

CC: Julia Mullaley; Marlene Lambe