



STANDING COMMITTEE ON THE ECONOMY

Hansard Verbatim Report

No. 26 — May 2, 2023

Published under the
authority of
The Hon. Randy Weekes
Speaker



Legislative Assembly of Saskatchewan

Twenty-Ninth Legislature

Hansard on the Internet

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STANDING COMMITTEE ON THE ECONOMY

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[The committee met at 15:30.]

The Chair: — Good afternoon, everyone, and welcome to the Standing Committee on the Economy. I'm Colleen Young and I will be chairing the Economy Committee meeting this evening. We have sitting in for Jennifer Bowes, Aleana Young; committee member Ryan Domotor; David Buckingham in for Ken Francis; Delbert Kirsch; Alana Ross; and Ken Cheveldayoff in for Doug Steele.

Today we will be considering the estimates for the Ministry of Energy and Resources, followed by Bill No. 128. After the bill we will recess for 15 minutes and then return to consider the estimates for the Ministry of Environment.

**General Revenue Fund
Energy and Resources
Vote 23**

Subvote (ER01)

The Chair: — We will now consider the estimates for the Ministry of Energy and Resources, and we will begin with vote 23, Energy and Resources, central management and services, subvote (ER01). Mr. Reiter is here with his officials and as usual I ask that officials please state their names before speaking at the microphone, and their titles. And Hansard will turn on the mikes for you. If you need to, just raise your hand.

Minister, you can begin by introducing your officials that have joined you here today, and begin with your opening remarks.

Hon. Mr. Reiter: — Thanks, Madam Chair. We're pleased to be here to discuss the '23-24 Ministry of Energy and Resources budget. Joining me today at the front table I have Deputy Minister Susanna Laaksonen-Craig. Behind me is my chief of staff, Charles Reid; also assistant deputy ministers Cory Hughes, Sharla Hordenchuk, and Scott Kistner. From the ministry's financial services team is Kim Olyowsky; executive director of communications, Natosha Lipinski; acting executive director of energy policy is Bruce Wilhelm; and directors Brad Wagner and Scott Weaver.

The Ministry of Energy and Resources develops, coordinates, and implements policies and programs to promote the growth and responsible development of the province's natural resource industries. The ministry is the primary regulator for the life-cycle activities of the oil and gas industry and associated mineral resources, and ensures competitive royalty systems, regulations, and policies for all natural resource sectors.

As the primary regulator of the oil and gas sector, the Ministry of Energy and Resources takes its role very seriously, a regulatory role that is built upon the principles of integrity, competency, and transparency. The ministry is proud that the province's regulatory framework is recognized for its competence in ensuring oil and gas operations are conducted in a safe and secure manner.

The ministry also plays an important role in promoting Saskatchewan's diverse resource potential to investors around the world. Saskatchewan's diverse and abundant natural

resources support substantial mining, forestry, and oil and gas sectors. In the last several years the resource sector has begun to diversify into areas like lithium, copper, zinc, hydrogen, helium, and an array of critical minerals, along with increased production for potash and uranium.

The resource sector is the workhorse of the Saskatchewan economy. Together oil and gas, mining, and forestry account for over 25 per cent of the province's GDP [gross domestic product] and directly employ more than 20,000 people. Last year minerals alone had nineteen and a half billion dollars' worth of sales with another record year for potash. For 2022 the value of oil and natural gas production was approximately \$17 billion. Forestry sales also remain strong with 1.7 billion of product sold in '22. Our province's growing resource sector is truly fuelling growth that works for everyone.

All major potash companies have committed to increasing production. Nutrien will be ramping up annual potash production capacity to 18 million tonnes by '26. This represents an increase of more than 5 million tonnes or 40 per cent compared to 2020 levels and will lead to approximately 350 new jobs in the province. K+S Potash announced plans to increase production to 4 million tonnes per year over the next few decades at its Bethune facility. K+S is looking to hire more than 100 additional employees over the longer term as new systems are established.

Mosaic is also taking action to increase its annual potash operating capacity by a further 1.5 million tonnes by the second half of '23 at its new Esterhazy K3 operation and Colonsay mine. Since resuming production at Colonsay in '21, Mosaic has added 150 jobs. BHP is accelerating the time frame for the construction of its \$12 billion Jansen project. Several other companies have new potash mine projects at varying stages of development.

Saskatchewan is Canada's leader in critical mineral production and potential. We have occurrences of 23 out of 31 critical minerals. Critical mineral exploration and development is anticipated to be a key economic driver for Saskatchewan over the next 10 years. To fully capitalize on this opportunity, on March 27th we announced Saskatchewan's critical minerals strategy.

The strategy outlines four new goals for the sector: increase Saskatchewan's share of Canadian mineral exploration to 15 per cent by 2030; double the number of critical minerals produced in Saskatchewan by 2030; grow Saskatchewan production of potash, uranium, and helium; and establish Saskatchewan as a rare earth element hub.

To drive these goals in this year's budget, the Government of Saskatchewan has committed \$4 million annually to expand the targeted mineral exploration incentive to include exploration drilling for all hardrock minerals across the province and increase the funding limit to support emerging commodities. The Saskatchewan mineral exploration tax credit has also been increased from 10 to 30 per cent. The increased tax credit will improve the investment competitiveness of Saskatchewan's mineral exploration sector.

Additionally a total of \$2.4 million in new funding will be invested in geoscience data management technology and

automation bringing the total investment in this area to over 4.4 million. This additional funding will continue to improve the information provided to explorers and stakeholders, giving them more confidence and more accurate information to make sound investment decisions in Saskatchewan. External clients will also be able to fulfill regulatory requirements by submitting mineral assessment reports online. The advancements in current production in this space provides a glimpse of the true potential of critical mineral development in Saskatchewan.

I'd like to share some success stories, and I'll start with our uranium sector. Saskatchewan is home to the world's highest grade uranium mines and leads as Canada's sole producer of uranium. Last year sales were more than \$900 million. After announcing plans earlier in '22 to restart operations at McArthur River mine and Key Lake mill facilities, in November Cameco announced that the first pounds of uranium ore had been mined, then milled and packaged for distribution.

The mine and mill currently employ approximately 830 people, more than half of which are from northern Saskatchewan. And Cameco is planning on additional hiring for the sites forward as they continue to ramp up production. Also in February of this year, Cameco announced that it has signed an agreement with Ukraine's state-owned nuclear energy utility to supply Ukraine with uranium and meet its full nuclear needs through 2035.

Moving on to copper and zinc, Foran Mining Corporation announced the grand opening of its Saskatoon office, which is responsible for the development of its McIlvenna Bay project, set to be the world's first carbon-neutral copper-zinc mine.

Released in 2021, our government launched the Helium Action Plan: From Exploration to Exports, which outlines how Saskatchewan aims to become a world leader in helium production and export over the next decade. Additionally helium valuation reporting through the Petrinex system will bring the helium sector into alignment with existing reporting for oil valuation already in place for the oil sector.

At present there are more than 1,000 helium permits and leases for exploration and production across the province. There are currently 15 active helium wells producing in the province and an additional 16 helium wells drilled this year. In '22 helium production in Saskatchewan was approximately 2.4 million cubic metres, roughly 1.5 per cent of global production. To complement the ever-increasing production of helium, we have provided 140,000 in funding to complete a helium liquefaction hub study to provide information needed to develop a commercial-scale, value-added, export-oriented helium sector in the province.

Now I'd like to touch on some of the successes in the oil and gas sector. I'm pleased to share that our province's oil production levels have returned to 90 per cent of pre-pandemic levels. The industry is increasingly investing in carbon capture, utilization, and storage, and enhanced oil recovery technology, resulting in more than 40 million tonnes of carbon dioxide sequestered in over 100 million barrels of incremental oil production.

Saskatchewan sequesters half of the CO₂ that is sequestered in Canada. And leading environmentalists agree that Canada cannot meet our climate targets without CCUS [carbon capture,

utilization, and storage] and EOR [enhanced oil recovery]. The made-in-Saskatchewan oil and gas emissions management regulations have been a success, achieving a 60 per cent reduction in reported venting and flaring in upstream oil field facilities from 2015 levels.

The Ministry of Energy and Resources, in partnership with the Saskatchewan Research Council and the federal government, recently wrapped up the accelerated site-closure program at the end of the 2022-23 fiscal year. Over 8,800 inactive oil and gas wells and facilities in Saskatchewan were capped or closed under the \$400 million program.

This work would not have been possible without the dedication of Saskatchewan's oil and gas producers and service sector companies which stepped up to get the work done within a relatively short time frame. Program funding went to more than 900 Saskatchewan-based oil and gas service companies and supported an estimated 2,500 jobs over the life of the program. That includes about 1,790 jobs directly in the oil and gas sector.

Additionally over 90 million in program funds were spent in support of Indigenous participation. Over \$32 million was used for projects on reserve lands, and eligible Indigenous service companies completed over \$59 million in site closure work under the program. A collaboration with the Saskatchewan First Nations Natural Resource Centre of Excellence helped to drive the success.

The work has remediated and reclaimed lands across the province including on-reserve lands, and many former oil and gas sites will be returned to their natural state or previous use. And the cleanup of inactive oil and gas infrastructure and sites will continue. Just as the program comes to an end, the inactive liability reduction program will begin under the newly introduced financial security and site closure regulations.

This will set annual spend targets for oil and gas licensees for the retirement and closure of inactive and uneconomic oil and gas infrastructure and sites. Also there is a slight budget increase of approximately \$110,000 to help with the implementation of the new programs under the regulations.

And finally in the forestry sector, after coming off an all-time high of \$1.8 billion in forest product sales, we are continuing to move ahead with our growth plan goal to double the size of the forestry sector by 2030. We are currently at 80 per cent of this goal and expecting over 1 billion in new forestry sector investments by 2024.

In closing, the Ministry of Energy and Resources budget is strategically built to meet growth plan objectives in all sectors of natural resource development and production by increasing production in and diversifying the critical minerals and mining sector; continuing to support innovation and technological development in the oil and gas sector; increasing the value of the forestry industry; growing Indigenous participation in Saskatchewan's natural resource industries; and finally, continuing to use technology and automation to provide a better experience for our clients at the ministry level, and to give our explorers the most up-to-date and accurate information available combined with an efficient regulatory system so they can have confidence to invest in Saskatchewan.

Thank you, Madam Chair, and we'd be happy to take any questions now.

The Chair: — Thank you, Minister. I'll open the floor to questions from committee members at this point in time, and I'll recognize Ms. Young.

Ms. A. Young: — Thank you, Madam Chair, and thank you, Minister, and officials here tonight, everybody who's present as well as all of those who I know have put in a lot of work in preparing for the budget and also for estimates this evening, I'm sure watching at home, riveted.

I'm looking forward to tonight, Minister. I promise one day we will do this without having to have a child present for estimates. So thank you for being gracious about it.

I guess maybe let's start with vote 23. It's kind of some basic overview questions. Why is this vote down 75.6 per cent?

[15:45]

Hon. Mr. Reiter: — So the vast amount of that 112 million, the accelerated site-closure program, that was the amount that was spent last year. And of course the program, as I mentioned in the opening comments, is wrapped up. And the reason: that was a \$400 million program, but it was a multi-year. So the 112 was in the final year.

Ms. A. Young: — Thank you, Minister. And you said the vast majority. Was there anything else in that variance besides the accelerated site-closure program?

Hon. Mr. Reiter: — It was 112, and the difference in the line item you were looking at, it was 53.2 million to 161. I'm just saying there'd be some small amounts both ways, I would think, in that. But that's essentially the answer.

Ms. A. Young: — Looking again through some of the votes, can you offer some comment on why the central management salaries are down and whether there's been any restructuring in the ministry or any variance in FTEs [full-time equivalent] and reassignments?

Hon. Mr. Reiter: — There's some changes between line items. I'm going to ask my deputy minister to speak to that.

Ms. Laaksonen-Craig: — Hello, I'm Susanna Laaksonen-Craig, deputy minister, Energy and Resources. So there has been some shifts; we have moved some little functions between the divisions. And then the ministries of ICT [information and communications technologies], TED [Trade and Export Development], and ER [Energy and Resources] used to have joint corporate services, and those were kind of repatriated back to the individual ministry. So there has been shifts in some of our numbers because of that. And that's why, for example, the central services looks a little bit different, although central services budget has gone a little bit up, not down.

In terms of the question regarding the FTEs, we have in this fiscal year's budget, three new FTEs. Two FTEs were added to the energy regulations division. Those are there to implement *The Financial Security and Site Closure Regulations*, as that minister

referenced in his opening remarks. And one FTE was added to the resource development division for critical minerals work.

Ms. A. Young: — Thank you. And the variance in the resource development spending on goods and services.

Ms. Laaksonen-Craig: — In terms of resource development division's budget, the divisional budget includes one known expense item. The liability that is booked for the remediation of Gunnar mine, it shows in that division's budget. But because it was a liability and that liability was fully booked in the last fiscal year, it doesn't show up anymore in this year. But it doesn't mean that the money is not there. It's just the accounting rules changed and they required it to be booked that way.

And so then the other changes are, you know, relatively minor. For example, there is the one FTE there, as well as then that accounts for the increase to enhance the targeted mineral exploration incentive.

Ms. A. Young: — Thank you, Deputy Minister, for the answer. Can you tell me how much the ministry spent on advertising and marketing in the past year? Forgive me. I wasn't clear if you consider those two separately or if you consider them the same.

Ms. Laaksonen-Craig: — Sorry, it took us a while. While the corporate services function was broken apart, TED and us still share the marketing function because there is a number of benefits managing it as one instead of breaking it apart. So the number actually shows up still in the budget, but it's 367,000 and that is the marketing, advertisement. That budget, I do not have the details right now.

Ms. A. Young: — Just from reviewing last year's *Hansard*, that's a very, very small increase over last year.

Ms. Laaksonen-Craig: — Yes.

Ms. A. Young: — And you know, recognizing that's not a material amount of money in the context of the work of the ministry, but I'm curious if any of that represents a strategic direction from the ministry, you know, as you set out to build this year's budget — I mean, you look at the important role that your ministry plays — if continuing to promote the work of the ministry and the sector it serves throughout Saskatchewan is represented in that increase.

Hon. Mr. Reiter: — I would describe it this way. There's sort of the more obvious things included in there: promotional things, and that boosts the trade fairs, those sorts of things. But there's stuff that I do as minister, my deputy does, other officials do that I would describe it as promotion but isn't included in there. If I go speak at a conference; I did today at the Williston Basin one. I did an armchair sort of discussion thing at lunch hour.

You know, there's a lot of things that are kind of ingrained into all the officials in the ministry. There's of course the regulatory function, but on the promotional side there's a lot that the ministry does for promotion that wouldn't be captured in that small amount.

Ms. A. Young: — So then recircling back to some of your comments off the top about . . . I believe you said oil has returned

to about 90 per cent of pre-pandemic levels.

Minister, do you anticipate that? And is the ministry planning for it to return to pre-pandemic levels? What if there's an increase in production expected or planned for, do you have a projection you're able to share?

Hon. Mr. Reiter: — I'll just start now, but then I'll turn to the officials and see if we can get you some estimates or something.

We certainly hope so. We anticipate that happening, you know, as it continues to recover sort of from the pandemic situation. As you mentioned, I, in the opening comments, had said at 90 per cent.

We think it's important that we do.

You know, with the issues in that industry right now, you know, it was clear with the terrible geopolitical situation in the world today that if the world needs oil, it's going to need it for some time. And what better than here, a jurisdiction that cares about the environment, has made huge strides in technology? You know, I look at enhanced oil recovery, CCUS. You know, if the rest of the oil in the world was produced the way it was in Saskatchewan, emissions would drop overnight.

So certainly we're optimistic. As well, you know, as I've talked to different companies, it looks like many of them are anticipating ramping up their drilling. So you know, we're going to do whatever we can to encourage that. I'm just going to see now if we have some estimates. I'm not sure, but I'll check with officials.

[16:00]

Cory Hughes, our ADM [assistant deputy minister] has got some stats for you.

Mr. Hughes: — Cory Hughes, for the record. So yeah, we anticipate consistent growth. We're returning to . . . Right now we're forecasting a return to pre-pandemic levels around that 500,000 barrels per day in fiscal year '25-26.

Ms. A. Young: — And as new critic, for my elucidation, is that typically how you'll track growth in the sectors — by average barrels per day by a certain point in time?

Mr. Hughes: — Yeah, we report annually, on the annual . . . in millions. But you know, internally we talk about barrels per day and that's what we forecast.

Ms. A. Young: — And what are those numbers for this year?

Ms. Laaksonen-Craig: — So in 2022, Saskatchewan produced approximately 165.6 million barrels of oil, which would then correspond to approximately 454,000 barrels per day.

Ms. A. Young: — Thank you. And those are the figures that you took into consideration for this year's budget?

Ms. Laaksonen-Craig: — Yes. That is the number we know, and then based on all the different conditions and so on, we'll make our forecast.

Ms. A. Young: — And in looking at the measures that your ministry sets out, have you . . . is there consistency in whether you set your growth targets based on the value of a product or the volume produced?

Ms. Laaksonen-Craig: — In terms of like, for example, growth plan targets, some of them are volume-based, some of them are value-based. So it depends a little bit on the commodity where we are. But when we look at the work we do every day and how we follow markets, how we prepare forecasts, we look at both, because both has its own value and they are different types of indicators. So we both make . . . look at the volume.

But also then of course, as you know, recently for example oil prices have been extremely volatile. So it is also important then, of course, to track the value and understand where the value is going to settle.

Ms. A. Young: — And I assume there's active participation in setting the targets for growth that your ministry is working towards. Was there a rationale in regards to why some would have been . . . some you're choosing to measure based on production volume and some are based on value?

Hon. Mr. Reiter: — I think it's fair to say, internally, the ministry folks, they use both. They use volume; they use value — depending on the circumstance, either or both. In terms of communication though, I think frequently what is used is what people are most familiar with. For example in oil, barrels per day is pretty standard. It's used frequently. In potash, for example, I would say tonnes not so much, so people are more inclined to want to know dollar values. So frankly it's sort of frequently a case of using both.

Ms. A. Young: — Thanks. And last question, kind of down this rather arcane line, in establishing your targets and your outcomes as a ministry for meeting Saskatchewan's targets in the plan for growth, do you have the time period available from which point you started measuring and when you anticipate what the end point is?

Hon. Mr. Reiter: — Sorry for the delay. So what had happened . . . I believe the announcement was done in 2020 with the end date to be 2030. I think it was 30 goals for 2030. Sorry, and the delay was because, while it was announced in 2020, the baselines used would be somewhat previous. So we're just having discussions about '18, '19.

So in the instances, and not wanting to eat up a bunch of your time, if it's okay we'll follow up with you with that in writing with the breakdown. Because I think different industries, depending on numbers available, might have used a different baseline.

Ms. A. Young: — That'd be much appreciated. Thank you. In terms of . . . I believe last year there were about just over 21,000 inspections of pipelines, wells, and facilities. Do you have the number available for this year?

Hon. Mr. Reiter: — So we're just checking. I think it's the 21,000. So you were referring just to the wells or were you referring to all inspections?

Ms. A. Young: — I'm not sure. I scribbled down that number after reviewing last year's *Hansard*.

Hon. Mr. Reiter: — I think that was well. So I'm just going to get Sharla to run through the inspection report for you, if that's okay.

[16:15]

Ms. A. Young: — Sure.

Ms. Hordenchuk: — Sharla Hordenchuk. So in '22-23 we had a total of 24,887 inspections. Just to break that down by type of facility or type of infrastructure, we had . . . For well sites we conducted 23,794 inspections. We did inspections at 359 facilities, we did inspections of 214 times at licensed pipelines, and then other inspections at rigs or measurement totalled 520. And that's how we get to the 24,887 inspections.

Ms. A. Young: — Thank you. And of those, how many were satisfactory?

Ms. Hordenchuk: — So based on our information, satisfactory inspections totalled 18,212.

Ms. A. Young: — And of those that were outstanding or unsatisfactory, how many had serious issues?

Ms. Hordenchuk: — So in terms of the number of inspections and what we find is satisfactory or unsatisfactory, our top inspection issues, and I can give you the counts on each one, but in regards to significance, I will just explain the type of issue and we can go from there.

So our highest count of top inspection issue is around well identification sign is illegible or incorrect, and we had over 2,500 of those. We had about 1,100 issues related to failure to construct or maintain an adequate lease dike. We had over 1,100 inspection issues relating to inadequate weed control. And then going down from there, less and less, service casing vent wouldn't meet specifications, inadequate housekeeping, failure to clean up or properly dispose of spilled material, and so forth. So in terms of significant issues, those would be the top 10.

Ms. A. Young: — And sorry, is that . . . I assume that's going in order of least significant to most significant.

Ms. Hordenchuk: — So this order is going in terms of the count, so highest count to lowest count.

Ms. A. Young: — So then what would be the category with the highest? And I assume you have some sort of risk register or something that you use to prioritize.

Ms. Hordenchuk: — Yeah, so in terms of the count, the highest count of inspection issues is related to signage.

Ms. A. Young: — And in terms of severity?

Ms. Hordenchuk: — In terms of severity, I don't have that calculation in front of me, I have the counts and the inspection orders, inspection issue.

Ms. A. Young: — Okay. So in terms of the way that the ministry does counts, it's based on frequency not necessarily significance or severity.

Ms. Hordenchuk: — So in response to the question on inspections and the activity that's happening on the ground, when we talk about severity it's based on situational concerns. So for example, I had read out kind of the top 10 inspection issues. So not in the top 10 would be H₂S or odour complaints, but those, in terms of severity, would be at the very top. And so those are responded to immediately and addressed because of their impacts to the public.

Ms. A. Young: — Is there then a comprehensive list available, like publicly available on, I don't know if it would be IRIS [integrated resource information system] or . . .

Ms. Hordenchuk: — Yeah. All of the inspections and land locations, details of the issue are all public, and it's all listed on our website and updated regularly.

Ms. A. Young: — And forgive me if I'm misremembering again, I recall last year there was some discussion of perhaps like a new IT [information technology] program or management that was being explored to look at increasing, I think, the ability of the public to access or navigate some of these things. Am I remembering that accurately?

Hon. Mr. Reiter: — I wasn't here last year so I'll check.

Ms. A. Young: — Neither was I.

Ms. Hordenchuk: — Well I was here last year and I do remember this question. So in regards to publicly available information and what we were talking about was around the Petrinex public data page. So for example — and this is all on our website — there's public data portal page on Petrinex, includes data sets around volumetrics, business associates, well facility licence information, and general well and facility information. So that public launch of the Petrinex information was what we were referring to last year at this time.

Ms. A. Young: — Okay, thank you for that. I need to find the number for last year for inspections, and it was, I believe, 21,030 with 19, just shy of 20,000 of those happening for well sites. So is the increase in inspections, is that due to an increased rate of inspection or is that due to increased . . . like is there an increase in active wells year over year?

Ms. Hordenchuk: — So with regards to our well site inspections, last year we did report 21,733. This year our numbers indicate 23,794. When we look at, you know, our inspections over a five-year comparison, we of course did see a dip down in 2020-21 due to COVID-related matters. And now, you know, with the increased activity on the landscape we are seeing, you know, more field visits, more well site inspections related to the . . . you know, increased in the sector overall.

Ms. A. Young: — Thank you. And year over year, does the ministry track how many inactive wells would have been put back into production?

Mr. Wagner: — So Brad Wagner. And so there's three types of

wells that we generally track over each year, and they're the number of inactive wells and the number of active wells as well as the number of abandoned wells.

[16:30]

And so I'll just take a few minutes just to sort of clarify the differences between those, just so there's a clear understanding about what they are, as they're often confused. We also track orphan wells, is another one that I should mention.

So we talk about an orphan well and an abandoned well. They sound as though they might be the same thing, but they're, you know, very, very different. An orphan well is one in which the operator has ceased to exist due to, typically, bankruptcy, or they've walked away and they cannot be located. Whereas an abandoned well is, actually it's a good thing. The terminology doesn't sound like it is, but it is. It's a good thing. It's a well that's been plugged downhole, cemented off. The casing has been cut below grade with a cap welded on the top of it, and it's been rendered in a safe and environmentally sound condition. So just to make clear, you know, those are the differences between, you know, orphan wells and abandoned wells.

And then as I mentioned, we also track inactive wells and active wells. And those are more or less what they sound like. An inactive well is not yet abandoned, but it may or may not still be capable of production. And then active wells are just like they sound, actively producing.

So those are sort of the four types of wells that we actively track.

Ms. A. Young: — Yeah. Thank you for that reminder of the distinction between the different classes of wells. Do you have a count for the number of each in the province this past year?

Mr. Wagner: — Yeah. So the well counts that we have as of March 2023, so abandoned wells, we have 47,093; actively reporting, we have 49,541; inactive wells, we have 35,329; and then orphan wells, we have 2,769.

Ms. A. Young: — That was 2,769?

Mr. Wagner: — Yeah.

Ms. A. Young: — So on the orphan wells in particular, I guess a few questions. Does the ministry have the number that have been cleaned up to date?

Mr. Wagner: — Yeah, so in terms of orphan wells that have been cleaned up, we have a count of 790.

Ms. A. Young: — So in last year's committee discussion, the minister said there had been about 700 wells at that point which had been cleaned up. And then on the books there were 499, which I took to mean that was the number outstanding.

So does the significant difference between 500 and the number just provided represent a significant increase in the number of orphan wells identified by the ministry year over year?

There's page 234 from last year's *Hansard*. Yeah, on the right hand side just towards the bottom.

Mr. Wagner: — Yeah, so it does look like last year we had stated at one point that there were about 499 orphan wells remaining at that point in time, and so the significant increase that we have seen is due to insolvency of a company by the name of Abbey. They contributed about 2,300 orphan wells themselves into the orphan well hopper. I'll just mention as well too I guess it's important to note that the orphan fund is of course fully funded and paid for by the oil and gas industry.

Ms. A. Young: — Absolutely I'm familiar. So what's the current value of security deposits from companies?

Mr. Wagner: — Yeah, sorry about the delay there. Yeah, in terms of security deposits, we have \$71.8 million.

Ms. A. Young: — Thank you. And again I'd note that's a significant discrepancy from the figure reported last year. Is there an explanation?

[16:45]

Mr. Wagner: — Yeah. Well I mean, firstly the amount of security that we have at any given time varies tremendously, you know, depending on the situation companies are in and whether they owe security or not. So you have to recognize, month over month it does vary significantly. But you know, the primary difference here between those two numbers, I think, is . . . We had a \$27.7 million security deposit on account for Abbey, which of course . . . You know, they're in bankruptcy and so their security deposit has been forfeited into the orphan fund, so it doesn't count as a security deposit any longer.

Ms. A. Young: — So then forgive me; this is all new to me. The fluctuations that you mentioned month to month that are fairly significant . . . So let me know if I'm on the right track. The orphaned well fund is, of course, distinct from the security deposits paid by the companies.

Mr. Wagner: — Correct.

Ms. A. Young: — And the security deposits that are paid by energy companies are essentially transactional. They go in and out of some sort of ministry account based on the liabilities or assets of that company active in the province.

Mr. Wagner: — Yeah.

Ms. A. Young: — Okay. Glad I'm somewhat grasping the concept here. So when you say there's significant variance month to month, can you help me understand what that variance looks like? Are we talking about, like, 5 million or are we talking about the \$100 million variance from this year to last year?

Ms. Laaksonen-Craig: — A lot of the fluctuations — for example, related to the sales of assets and mergers and acquisitions — without going through the whole explanation of the financial side to the security regulations and the various components of that, there is the liability rating essentially that is calculated. And that calculation defines how large the deposit has to be.

Now if a large company in a very solid financial position based on these calculations, for example, purchases assets, it doesn't

necessarily have to keep as large a deposit in. If a company — I would say in layman's language, lower rated company — purchases those assets, sometimes the liability that is required can go up significantly, maybe \$10 million, \$20 million.

So depending on the mergers and acquisition sales asset activity, and as those liability calculations are then constantly updated, it requires a different-size deposit. It doesn't take anything away from the integrity of the system or the amount that we are holding. It is how the system is built. But that is what causes then those fluctuations.

Ms. A. Young: — Okay, I'm not sure I appreciate the nuance there, which is likely my lack of understanding of a complex issue. But again in terms of . . . I guess let me reframe this. There is a significant variance from 170 million to \$70 million this year. Is that noteworthy for the . . . Like is that uncommon? I'm just trying to get a grasp of when you talk about fluctuations. Is \$100 million like a pretty normal fluctuation or . . .

Ms. Laaksonen-Craig: — All right, let me try again. And so the fluctuations, it could be even \$100 million sometimes depending on the activity, and so we wouldn't be concerned and it doesn't increase the risk.

Essentially you could think about it this way. One of our multi-billion-dollar producers has the wherewithal to have the cash flow and the reserves to pay if something happens, whereas there are companies who are not in as fortunate a financial position. And for those situations we do these calculations and we essentially assess the risk.

And we always want to make sure that there's sufficient security deposits to cover those situations. So depending essentially who owns exactly what assets, the actual amount of security is different, but the risk is still managed.

Ms. A. Young: — And is the value of those deposits collected established by the ministry?

Ms. Laaksonen-Craig: — Yes.

Ms. A. Young: — Okay. So then maybe I guess a different question then, similar vein: what's the total value of the orphaned well fund this year?

Mr. Wagner: — Yeah, the current balance is around \$7 million.

Ms. A. Young: — \$7 million.

Mr. Wagner: — Yeah.

Ms. A. Young: — And so the \$27.7 million that would've been forfeited by Abbey Resources in this case, that money moves from the security deposit into the orphaned well fund?

Mr. Wagner: — Yeah, so good distinction there. The seven is net of that deposit.

Ms. A. Young: — Okay. And then what's the average cost? I imagine it's different from type of well to setting to all of those things. What's the average cost that the ministry would use to calculate for each orphaned well?

Hon. Mr. Reiter: — So Brad and Sharla are going to . . . they're doing some quick calculating on the cost per well for you. But I'm just going to get Kim to clarify something that Brad had said about that Abbey fund, the dollar amount.

Ms. Olyowsky: — Kim Olyowsky. I just want to clarify the fund. So currently there's . . . At March 31st, there's approximately \$7 million sitting in the orphan fund. The \$71 million we were talking about earlier in security deposit, it doesn't belong to the fund at this point. So that money is sitting in a liability, if you will. At some point, it either is going to be forfeited to the fund or refunded back to the client that paid the deposit.

Ms. A. Young: — I understood that, and I guess really what I'm looking . . . Kind of like the direction of my questions are more so . . . You know, Abbey's just one example obviously of a company that's become insolvent. But given the commitments that have been made around and I believe the real desire to see every orphan well — forgive me; I don't know what that language that you used dealt with — processed, for lack of a better word, eliminating that legacy backlog of orphan wells which is now increased, is there an adequate amount of money in the fund to ensure that will still occur with no taxpayer dollars?

[17:00]

Hon. Mr. Reiter: — So if I could, I guess there's some variance, right, depending on the type of well and the amount of work that needs to be done. Officials are telling me that it can vary anywhere from 20,000 to \$70,000 per well. So you know, if you want an average you'd take somewhere in the middle there, I suppose.

I would point out though, to your point, I absolutely get your point. And I'm going to get Susanna to follow up with some information from the parliamentary budget officer. But the important thing to remember — it was similar to a question that I asked a number of months ago — is that to do a total cleanup, I'll put it that way, it would be a multi-year project. And so in those years there's still the ability to continue to levy industry for any extra dollars that are needed. So I'm going to ask Susanna to speak to I think a fairly recent report from the parliamentary budget officer.

Ms. A. Young: — Yeah, the federal one.

Hon. Mr. Reiter: — What's that?

Ms. A. Young: — The federal parliamentary budget officer.

Hon. Mr. Reiter: — Yeah.

Ms. Laaksonen-Craig: — Yeah, correct. Correct. So they did a study on this. It was published in January 2022. It was called *Estimated Cost of Cleaning Canada's Orphan Oil and Gas Wells*. One of the components they looked at on this report was security on hand. And in the table 4-2 of the report, they report that the security in hand in Saskatchewan, based on their estimation, is 171 million. And they estimated cleanup is 181 million. So they conclude that according to current projections Saskatchewan has sufficient security on hand.

Ms. A. Young: — And this is from January 2022?

Ms. Laaksonen-Craig: — That's correct.

Ms. A. Young: — Right, which kind of at a high level followed the Abbey insolvency but not as closely as I imagine people on that side of the table. That report would predate?

Ms. Laaksonen-Craig: — It would absolutely predate that. But while that is large in number of wells that got orphaned, as the orphan well fund, those wells as they get cleaned over time, there is no ability to clean everything in one year. So the industries continue to get levied to continue to replenish their orphan well fund. And for example, currently as his role as a director of liability management, Brad annually sends that memo to the industry and then different amounts are collected. And I think it is more than the 7 million that we are going to be collecting for the current fiscal year.

Ms. A. Young: — So then looking . . . The orphan well fund I believe was introduced in 2010.

Mr. Wagner: — That's correct.

Ms. A. Young: — And based on the numbers that were provided in last year's estimates, there are basically about 54 . . . 50 to 60 wells per year are cleaned up. Is that a fair assessment?

Mr. Wagner: — I think, yeah, in some years. Other years it's been, you know, more like 80 to 100, 120.

Ms. A. Young: — Okay, so 120 is the high-water mark.

Mr. Wagner: — Yeah. With our current capacity, yeah.

Ms. A. Young: — So then looking at the significant influx due to that insolvency, are there plans within the ministry to increase the number that they're seeking to clean up every year? Or is this simply, you know . . . is the legacy backlog now just I guess four times larger and thus the tail extends?

Ms. Hordenchuk: — So with regards to the inventory of the orphan well volume that we're facing, we are, you know, absolutely looking at options on how we could address that inventory in a meaningful way. There's a few things we have to consider though as well: the capacity of the service sector to do that work and, you know, there's the time frame that the work can be done; the locations of the wells and different approaches that, you know, might be taken with regards to where the contractor is working in certain parts of the province and different techniques; and then also in consideration of, you know, the procurement practices that we follow and how we can get multi-year agreements with service providers.

So all of those things are taken into account, but we are definitely looking and exploring ways to perhaps do the work differently. And we did make reference to that in our business plan that was released on budget day for the ministry.

Ms. A. Young: — Are there timelines on when some of those plans might solidify?

Ms. Hordenchuk: — So regarding timelines, I would just say this: it's a work in progress. I think over the coming year, you know, we'll do some exploring about those options. And you

know, there might be further understanding of the capacity that can be undertaken by the service sector as well as the availability of, you know, the contractors and the procurement and all of that.

I would also just add that, in relation to our growing inventory, we've heard earlier today mention of the Abbey receivership. I think we are, you know, very closely monitoring and watching the receivership asset sale to see what sale amounts will look like and what inventory might be kind of, you know, repurposed and put back into production. So that volume that's been put in, you know, we're counting in the orphan inventory will change based on the Abbey receivership.

Ms. A. Young: — Thank you. That was going to be one of my follow-up questions. In terms of the value of the risk for the orphan wells right now on the books for the province, do you have that number available?

Deputy Minister, you used the PBO [Parliamentary Budget Officer] number of, I think it was 181 million as of January 2022 which . . . I wouldn't have the number of orphan wells currently or at that point in time for the province, but would be likely around 500.

Hon. Mr. Reiter: — Sorry, if I can just clarify. When the deputy gave the number, I think you thought it was 181 million. It's 81 million.

Ms. A. Young: — Oh, 81. Okay, pardon me.

Hon. Mr. Reiter: — The parliamentary budget report is 81.

Ms. A. Young: — Pardon me. Yeah, thank you. I misheard that.

[17:15]

Hon. Mr. Reiter: — Okay. So I think part . . . Officials are kind of filling me in here. So it was 81, not 181. And they're saying that the Abbey wells were natural gas wells not oil wells, which I'm also told now are quite a bit cheaper to clean up than oil.

Ms. A. Young: — So hearing that, which sounds like good news, is there a value that the ministry has? Or does the ministry . . .

Hon. Mr. Reiter: — Oh, sorry. The total value on the cost for the current orphaned wells?

Ms. A. Young: — Yeah.

Ms. Laaksonen-Craig: — So we have with us here the number for the expenditures for current inventory of orphaned wells and facilities. And so in order for us to have dollars for the well and facility abandonment and reclamation, it would be about . . . Abandonment costs for the remaining 2,769 orphaned wells and then 52 orphaned facilities is \$48.7 million. And reclamation costs of the remaining orphaned well sites and orphaned facility sites would be 69.7 million. So altogether we estimate the required expenditures to be 118.5 million.

Ms. A. Young: — Thank you. And when you use the term expenditures — I'm but a simple, new critic to this file and trying to wrap my head around it — that total number you quoted, the 48 plus the 69 million, that's essentially how much would need

to be spent to remediate, clean up, close the book on all of the orphaned wells currently identified by the ministry.

Ms. Laaksonen-Craig: — Abandon them and do the reclamation.

Ms. A. Young: — So then hearing what's been said about Abbey potentially going through a receivership, somebody else purchasing some of their assets, hypothetically should another company elect to buy those assets, do they have to buy all of them or is there a risk that some of the less desirable ones could be left on the ministry's books?

Essentially what I'm trying to figure out is like what's the risk to the ministry that, you know, next year you folks are still going to sitting with a backlog of — I don't know; pick your imaginary number — 2,000 wells to deal with and a significant gap between the value of the fund, which I think was quoted at about 7 million right now and that . . . No? No? Sorry, correct me if I'm misspeaking. I'm not . . .

Ms. Laaksonen-Craig: — We'll get to that.

Ms. A. Young: — Okay.

Hon. Mr. Reiter: — So understanding, you know, your point, your question, I get what you're saying. So what officials are telling me, so there's 7 million in that fund currently. The security deposit total fund is 71.8 for a total of 78.8. There's also being levied on industry another \$10 million this year and then the ministry has the option of changing that, right. They could increase it in subsequent years.

Sorry, you had several questions there. I just don't want to miss any of them. You had asked about the receivership and whether they can buy some or they have to buy all. Officials are telling me that they have the opportunity to buy some, not necessarily all, which of course would lower the number of wells in the orphan well program. But again it doesn't really impact the risk to taxpayers because it would impact the risk to industry because the intent is that industry will pay for this.

Ms. A. Young: — Thank you, Minister. I really appreciate it. And I guess, final question on this line. It remains the priority of and the intent of the ministry to ensure that taxpayer dollars don't go into having to clean up orphaned wells.

Hon. Mr. Reiter: — Yes, it's industry funded. The intent is for it to remain that way.

Ms. A. Young: — Thank you so much. I'd like to ask some questions about the incentive programs, if that's a suitable change of pace.

[17:30]

So forgive me if this is publicly reported and I just don't know where to look for it, but going through the ministry's incentive programs, can you identify how much money has been dispensed of through each of the ministry's . . . God, I've got a list of them. I'm thinking of, you know, like the oil and gas processing incentive. Yeah, there's the water flooding. Yeah.

Hon. Mr. Reiter: — So I have a chart the officials provided for me that I'll just walk through each of them quickly. So the three programs, it's the oil and gas processing investment incentive, but there's two components to that. There's the oil, gas, helium, and lithium section, and then a chemical fertilizer section. And then there's the Saskatchewan petroleum innovation incentive. We refer to it as SPII, as the acronym. And then the oil infrastructure investment program.

And so on the OGPII [oil and gas processing investment incentive], or the oil and gas processing, on the oil, gas, helium, and lithium section there's 300 million that's been approved as credits in the regulations. There's 20.4 million of that has been earmarked through contracts, and there's 116 million for conditionally approved projects. So that leaves a balance — again, because these are multi-year — that leaves a balance of 163.5 million.

On the chemical fertilizer part, the total credits and regulations are 70 million. And there's been 50 million for conditionally approved projects, which leaves a balance, credits remaining, of 20 million. On SPII, the Saskatchewan petroleum innovation incentive, the total credits and regs were 30 million. Earmarked through contract is 13.1, and credits for conditionally approved projects are 14 million. So that leaves credits still remaining of 2.9 million.

And the oil infrastructure investment program had total credits and regulations of 100 million. Earmarked for contracts is 24.3, and credits for conditionally approved projects is 75.6. So that leaves \$100,000 there.

Ms. A. Young: — Thank you, Minister. And when you refer to the money left, that's the amount of money left over that could theoretically be directed towards projects in this year?

Hon. Mr. Reiter: — Yes, that's right. Yes.

Ms. A. Young: — Great, thanks. For, it's OGPII? Sorry, I'm not used to it. It feels silly to say. For OGPII . . .

Hon. Mr. Reiter: — Yeah, that's what government doesn't have, is enough acronyms.

Ms. A. Young: — Of the projects approved or conditionally approved, my understanding is those can be value-added for processing, methane capture, carbon capture and storage, utilization and storage, EOR. How many of those projects are for CCS [carbon capture and storage] or CCUS? And then I'll have the same question again for EOR.

Hon. Mr. Reiter: — Sorry for the delay. So the problem with the delay is it's not automatically tracked that way, and so they're kind of going through each one. And I don't want to delay this, but I also don't want to inadvertently give you the wrong numbers. So if we could, we'd follow up with that. And also I think you said your next question was going to be the same question only on enhanced oil recovery, so it would be the same. If you're okay with that, we'll follow up with CCUS projects and EOR projects.

Ms. A. Young: — That would be very welcome. Thank you, Minister. I guess maybe just a philosophical question on this one,

or a strategic question. So you know last year the former minister had indicated that, you know, any public money emerging from the ministry would follow private money, and that was the kind of the guiding philosophy in principle in supporting innovation, development of resources.

And I'm legitimately wondering, like looking at the changing environment, and both with the *Inflation Reduction Act* and some of the changes that we're seeing in Alberta, is there a changing philosophy in the ministry in terms of how public dollars can be spent to incentivize some of these really innovative areas that Saskatchewan has traditionally led in? You know, thinking specifically of I guess to my previous question, EOR and CCUS, you know, those are areas where we've traditionally had like, God, with EOR I guess a 30-year history of real innovation. Is there any changing in philosophy in the ministry? And I'll hold my second question.

[17:45]

Hon. Mr. Reiter: — Interesting question. Very good question. So I would say as of right now there's no change in strategy that way. We're planning on doing a review this fiscal year on all the programs though, because some of them are getting, you know, close to winding down. We'll have to decide where we go from here.

Your comment about the *Inflation Reduction Act* in the States is bang on. We're in a situation where a province on its own can never compete with that, so we'd obviously have to have federal government support. I've had some discussions on the IRA [*Inflation Reduction Act*] with Minister Wilkinson, my federal counterpart. You know, the federal government has made some moves on CCUS on that side. They haven't on EOR which I think — and I've advocated for that — I think it's important they do.

So I think kind of to get to the crux of your question is, we're going to be reviewing this, decide what this looks like going forward, but at the same time we're going to be discussing with the federal government because the *Inflation Reduction Act*, obviously . . . You know, I'm sure you've heard in the media the federal government, I'm paraphrasing, but they've essentially said, you know, they don't have unlimited money so they're going to have to pick and choose what they're going to target to be competitive. And so obviously we'll be lobbying them for what we think they should pick and choose.

Ms. A. Young: — Thank you. I appreciate that. Specific question in terms of when is that review expected to start, and is there a projected completion date?

Hon. Mr. Reiter: — So I should clarify. When I talked about a review, it's an internal ministry review. Officials will look at it. It's not a statutory review or anything like that, and then there'd be some recommendations on how we move forward. They'll be doing that work this fiscal year, and it's expected it'll be done by the end of the current fiscal year.

Ms. A. Young: — So any significant changes, should they be recommended and approved, you would anticipate for next fiscal?

Hon. Mr. Reiter: — Oh yeah. Like this fiscal period it'll be the

programs I walked through with you, yes.

Ms. A. Young: — So then maybe one more, one more general question on this. You know, again to the point that you're making to the federal government around the IRA and ensuring that, obviously, Saskatchewan projects are getting full consideration and we can ensure that the opportunities that we have in this province are ones that we can push forward, is there any concern on behalf of the ministry or the government, thinking specifically around CCUS and looking at some of the activity in Alberta and the opportunities that their government is pursuing there in regards to CCUS? You know, again this is an area where we've kind of had a 15-year head start in some ways, but there hasn't been a great deal of action since then.

Ms. Laaksonen-Craig: — In terms of the comparison between Alberta and Saskatchewan, I would say that we certainly share the significant interest of seeking these opportunities and see CCUS and EOR as key pathways moving forward.

Whether it's going to look identical or not, probably not exactly. We have a different geology here, different opportunities from that geological perspective. We also have a little bit of a different industry both in terms of size and the opportunities, for example, the oil sands production creates for Alberta. So it won't look identical, for example, just looking at those two different differentiators. But certainly as I said, we are very, very keen on seeing those types of projects to move forward.

Ms. A. Young: — Is there any concern that any of that expertise or advantage that Saskatchewan has might be looking to flee to Alberta where there seems to be more capital flowing at the moment?

Hon. Mr. Reiter: — So I don't know if that's so much . . . I wouldn't voice it as a concern. So we have industry here that's going to be looking to capture CO₂ and we have a great deal of knowledge here already. You know, we talked about the CCS knowledge centre a second ago; we talked with officials and PTRC, the Petroleum Technology Research Centre. They played a big role in the Williston Basin conference that's going on right now. There's a lot of knowledge there. So I think the future for Saskatchewan is pretty positive.

Ms. A. Young: — Thanks, Minister. It was a great conference. I was there briefly this morning but I missed your lunchtime address. And you mention the CCS knowledge centre, and that's kind of been in the back of my mind. You know, I saw obviously the funding announcement coming out of Minister Savage's office in Alberta. And is there any anticipation of comparable support or anything like that coming out of the Government of Saskatchewan to ensure that, you know, centres of excellence like that stay here, they don't move west?

[18:00]

Hon. Mr. Reiter: — So you know, you mentioned the Alberta funding, which is really good news, right. I think it speaks to the expertise that's here, and it's not just within the province that it's relied on.

SaskPower has done some funding with them in the past, so no sort of imminent news release or anything, if that's what you're

asking. But you know, certainly we're pleased to have them here, and again I think that Alberta funding just sort of speaks to the kind of esteem that that organization holds in this industry. And so I think that's good news they're centred here in Saskatchewan.

Ms. A. Young: — So I believe the original funding for that came through BHP, if I recall correctly. I'm seeing some nods.

Hon. Mr. Reiter: — BHP? It's a major funder, that's right.

Ms. A. Young: — So going forward, looking at the centre in particular, were there any funding emerging to support it? It would likely be through either SaskPower or industry?

Hon. Mr. Reiter: — Again, as you mentioned, BHP industry does help to fund, so you know, I'm not sure in the hypothetical. It would depend probably what the approach would be, but SaskPower has funded it in the past, yes.

Ms. A. Young: — Okay. Great, thanks. Slightly changing gears, Minister, you mentioned, you know, the importance of federal dollars obviously to match with industry funding as Saskatchewan looks to advance the resource sector. And I believe this is the right ministry for it, but I understand there's a regional energy and resources table specific for critical mineral development, and my understanding is Saskatchewan is not at that table. And I'm curious if you can share why.

Hon. Mr. Reiter: — The federal government, I've had discussions with Minister Wilkinson about this. Some provinces have signed on, some haven't. We haven't, Alberta hasn't, Quebec hasn't.

I think in a nutshell I can summarize it this way. It's specific to natural resources, and as you know there's been concerns lately about jurisdiction of natural resources. Our point is very clear on where we stand on that. So I would just say this: there's some concerns. I have concerns about signing on to a very sort of structured format table, having other parties engaged on it as well, in an area that Saskatchewan has exclusive jurisdiction over.

So no final decision has been made on that yet, but there are definitely concerns about it. I've discussed with Minister Wilkinson in the past and I will again.

Ms. A. Young: — Okay, and do you anticipate, is there funding that's going to be left behind?

Hon. Mr. Reiter: — To the best of my knowledge there's been no specific funding earmarked to those tables.

Ms. A. Young: — Okay, and you said it was still Alberta, Quebec, and Saskatchewan who had not . . .

Hon. Mr. Reiter: — I think that's the case, I stand to be corrected, but I believe those are the ones that haven't signed on yet.

Ms. A. Young: — Okay, for some reason I thought were nine other provinces that had signed on.

Hon. Mr. Reiter: — Alberta has not, and I don't believe Quebec

has either.

Ms. A. Young: — Okay. In terms of critical minerals, when we look at, you know, what Saskatchewan has to develop and has to provide to the world, do we have a globally significant amount of . . . I know I'm using the term "critical minerals," but I know that uranium would be one of those, as I was reminded last night. Thinking particularly of some of the areas of innovation development around rare earth elements and things that the province has really been pursuing, it is fair to characterize the resources we have here as globally significant?

Hon. Mr. Reiter: — Yeah, absolutely. Now you know there's a number of critical minerals and different countries have different lists of what they consider to be critical minerals. But certainly, you know, you mentioned potash, uranium were incredibly significant and that. Helium looks like it's going to be advancing even more. It looks positive. We've got a copper mine going on.

So in a very long list of critical minerals, certainly we have — I'm sorry, I think the terminology you used was significance worldwide or something like that — a number that we do for sure, and then some of them obviously to a lesser degree. And then again, you know, we know there's some of them there's incidents of, but they're always looking for new discoveries as well.

Ms. A. Young: — And for rare earth elements and some of the investments that the province has been making, would that also be globally significant? Because like, potash and uranium, yeah, obviously we're blessed with significant deposits.

Hon. Mr. Reiter: — Rare earth elements side — and again, sorry, there's some crossover here — the Saskatchewan Research Council's doing so much of the work on rare earth, on the development of that. So that's in Minister Harrison's shop. But I would say there's a great deal of interest right now in rare earth elements worldwide, again because of geopolitical reasons, right? Most of the world for a long time essentially has relied on China for that now. And again, because of the situation worldwide, many countries are looking for other sources. So that's why the thought is that there's potential now.

Ms. A. Young: — Thanks. Am I right in understanding by your comments, then, that anything related to rare earth elements will be through SRC [Saskatchewan Research Council], and there's not a role for Energy and Resources or no responsibility there?

Hon. Mr. Reiter: — Well sorry, there's the critical minerals strategy courses in our shop, but so much of the work that's being done is in the Sask Research Council on rare earth elements. So if you have a question on that, by all means, ask it. If we can't answer it, we'll get it for you.

Ms. A. Young: — Yeah, just for a go-forward basis, trying to . . .

Hon. Mr. Reiter: — Cory would just like to add to that as well.

Mr. Hughes: — Yeah, sorry. It's Cory Hughes. So in addition to the minister's comments, I mean, there is a separation. The SRC is looking at processing of rare earths. You know, the Ministry of Energy and Resources is focused on the development of the rare earth resources.

So we do have some deposits and certainly some potential in the province, you know, at the relatively early stages. And that's why the critical minerals plan with especially the two programs to support exploration will . . . You know, we're trying to focus more attention on rare earths and see what the opportunity really is in the province.

Ms. A. Young: — Okay. So then looking at . . . Minister, you mentioned helium. Is it fair to say that the fact that our helium is environmentally friendly is a selling point for buyers? Is that something you would characterize the market as?

Mr. Hughes: — Cory Hughes. So our helium, we have rich helium resources, and so unlike a lot of jurisdictions we have dedicated helium wells that are producing and will be producing helium. And our helium is associated with primarily nitrogen, which is not a CO₂, a greenhouse gas. So there is our helium production, unlike most jurisdictions that are producing helium as a by-product of natural gas. So it is very clear to say that our helium is a cleaner product than the majority of helium production in the world.

Ms. A. Young: — Thanks, Mr. Hughes. How many active helium wells do we have, I guess, as of . . . I don't know if it'd be end of 2022?

Hon. Mr. Reiter: — So there's — and this changes frequently lately — somewhere between 15, 16, 17, 18 active helium wells right now. There's almost as many of that, that have been drilled this year but just aren't producing yet. And then there's been, I think, it's close to 1,000 dispositions and permits that have been issued, which we think, by all accounts, should increase that number enormously, right. So we think in the relatively near future that number's going to just keep going up.

Ms. A. Young: — Okay, so in terms of the goals of the helium action plan, I think . . . I believe it's 150 dedicated wells was the goal set out by that project, but quite confident that you're on track to meet that?

Hon. Mr. Reiter: — Yeah, we're very optimistic in that industry.

Ms. A. Young: — Okay, perfect. I was going to go through some of the other of the new goals for the helium action plan and just ask for progress on them in terms of, like, I think, its permanent jobs, annual exports worth more than 500 million, 15 purification and liquification facilities. If there's a progress update on all of the actions under that plan.

[18:15]

Hon. Mr. Reiter: — Okay, so what we have, the target was 10 per cent, and when the plan was released and started, we were well under 1 per cent. Officials are telling me we're now at about 2 per cent worldwide.

The jobs, the numbers we don't have. The officials will look at that and try to have an estimate for you. We'll do that as a follow-up as well. And on the processing facilities, the target was 15. There's now five, and eight more are planned, and we expect more to be planned after that as well.

Ms. A. Young: — Thanks, Minister. I'm looking at the time. Just

one last question on helium, you know, looking at the helium royalty rate of 4.25 per cent, understanding that's the same as Alberta's, and I would anticipate there's a rationale for having the same royalty rate as Alberta. Is having that as an effective rate the best choice for Saskatchewan? Like, is it necessary to have the same royalty rate as Alberta to ensure that we remain competitive?

Hon. Mr. Reiter: — So officials are telling me Saskatchewan's had that rate for a number of years. It was Alberta that actually followed suit. They, a couple of years ago, they set the royalty rate. So I think it's fair to say our folks are comfortable where it's at and they were the ones that chose to be competitive, if you will.

Ms. A. Young: — Fun to be first, I guess. And is ours a flat royalty rate? Or it's not profit sensitive?

The funding increase for the geological survey in this year's budget is . . . Can you help me understand what those funds are for?

Hon. Mr. Reiter: — Sure. I'm going to get the officials to start looking now and get a bit more detail for you. But it's essentially much of the critical minerals strategy is targeted toward exploration. And this helps make exploration easier, makes us more competitive. Essentially when the companies start doing their work, they're starting out with more data, more information to begin with, so it sort of helps expedite theirs. But I'll get you a bit more detail on specifics of where it's spent.

Ms. A. Young: — Sure.

Mr. Hughes: — Cory Hughes. Yeah, so Saskatchewan is widely known internationally as one of the premier places for mining investment. A lot of that is because of our geological database. So the work, the money you asked about, is really to improve the efficiency of collection and distribution of that data, you know, to maintain our place as a, you know, premier destination for mining exploration. So a lot of that data is collected from industry. Industry exploration programs provide data. Our geologists do multiple field camps each year. We have airborne surveys. So there's a lot of sources of data that is collected, and really this is about improving the efficiency of collection and distribution of the data.

Ms. A. Young: — So through things like the subsurface lab and other . . .

Mr. Hughes: — Correct.

Ms. A. Young: — Okay. Thank you. I think we're good.

The Chair: — Seeing there's no more questions, and before we vote off the estimates for the Ministry of Energy and Resources, Minister, if you have any closing remarks you'd like to make.

Hon. Mr. Reiter: — I'd just like to thank you, Madam Chair. I'd like to thank the committee members and all the staff for their time tonight and thank the critic for her respectful questions, and thank everyone.

The Chair: — Ms. Young, do you have any remarks you'd like

to make?

Ms. A. Young: — Yeah. I'd like to thank the minister for the dialogue tonight, as well as all of the officials present and not present who work so hard on behalf of the province, not just in preparing for the excitement that is estimates every year but year-round in the ministry, as well as all the committee staff and my colleagues around the table, especially the Chair for your help tonight. Appreciate you.

The Chair: — Okay. We will now proceed to vote on the estimates for the Ministry of Energy and Resources. Vote 23, Energy and Resources, page 41, central management and services, subvote (ER01) in the amount of 28,587,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Energy regulation, subvote (ER05) in the amount of 12,593,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Resource development, subvote (ER06) in the amount of 13,699,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 4,060,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Energy and Resources, vote 23 — 54,879,000. I will now ask a member to move the following resolution:

Resolved that there be granted to His Majesty for the 12 months ending March 31st, 2024, the following sums for Energy and Resources in the amount of 54,879,000.

Mr. Domotor so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Okay, thank you everyone.

Bill No. 128 — *The Mineral Resources Amendment Act, 2023*

Clause 1

The Chair: — We will now begin consideration of Bill No. 128, *The Mineral Resources Amendment Act, 2023*, clause 1, short title. Minister Reiter, if you have any new officials you'd like to introduce, and then make any of your opening remarks.

Hon. Mr. Reiter: — Thank you, Madam Chair. *The Mineral Resources Amendment Act* proposes to change the rate of the Saskatchewan mineral exploration tax credit from 10 to 30 per cent. Increasing the mineral exploration tax credit encourages the exploration and development of Saskatchewan's mineral resources. A key part of the province's growth plan is to increase mining exploration and the value of mining exports. Incentivizing the industry with a tax credit such as the one

proposed here is but one tool to help us do that.

[18:30]

Exploration is an important first stage in the mineral development process and necessary in order to develop new mines. This increase will bring Saskatchewan's mineral exploration tax credit to the highest in Canada, equal to Manitoba at 30 per cent. This proposed change will improve Saskatchewan's competitiveness with other jurisdictions and encourage Saskatchewan residents to invest in to junior exploration companies. It will also help exploration companies more easily secure financing. Future mine development born from exploration discoveries is expected to produce significant returns as those projects move forward.

The industry has requested an enhancement like this to the SMETC [Saskatchewan mineral exploration tax credit]. Given technology advancements, growing populations, and the security of supply concerns, the world has an ever-increasing demand for critical minerals and an ever-increasing demand for sustainable resources that our province can supply.

Saskatchewan is home to 23 of the 31 critical minerals found on Canada's critical mineral list. Incentives to industry like the one proposed here will help us on our path to growing and diversifying our position as a reliable global supplier of critical minerals as we build on our already world-leading positions in potash and uranium mining. And as we've just seen in the budget, our province is benefiting from our resource revenues. With that, Madam Chair, I'd be happy to take any questions.

The Chair: — Thank you, Minister. I'll open the floor to questions from committee members now, and recognize Ms. Young.

Ms. A. Young: — Thank you, Madam Chair. Minister, in your introductory comments you referenced critical minerals. Is this change specifically targeted at critical minerals, or am I right in understanding that it'll apply to all mineral exploration in the province?

Hon. Mr. Reiter: — So the critical minerals will be substantially the bulk of it, but this would apply to, for example, gold and silver. There will be a few others it'll apply to as well.

Ms. A. Young: — Potash, uranium, anything covered off on your . . .

Hon. Mr. Reiter: — Hard rock. This would be hard rock.

Ms. A. Young: — Hard rock, pardon me. Thank you.

Hon. Mr. Reiter: — I'm sorry. Cory and I were just chatting here, and we were thinking of the other incentive. Sorry, potash and uranium would apply here as well. So it would, yes.

Ms. A. Young: — So looking at the provision for retroactivity, is there a reason this wasn't introduced and passed in the fall?

Hon. Mr. Reiter: — So this was part of the critical minerals strategy, and so a number of pieces of the critical minerals strategy had to go through the budget process as well.

Ms. A. Young: — Given the retroactivity to January 1, are there any projects of which the minister or the ministry's aware that will be covered off or will benefit from this change?

Hon. Mr. Reiter: — So the short answer to your question, we're not aware of any companies like that because this program . . . I'm going to get Cory to just give a bit more detail on how this works with the flow-through shares though because this program is effectively . . . it's already piggybacked onto a federal program. And it's 30 per cent federal. It had been 10 per cent Saskatchewan. Now it's going to be 30, so it's combined 60 per cent.

But the reason it's retroactive to January 1st is because it goes on the calendar year because of federal income tax rules, right. Like that's where it's done. So I'm just going to get Cory to elaborate a little bit on the flow-through share part of that.

Mr. Hughes: — Yeah, I mean my understanding, like companies wouldn't even issue the flow-through shares until spring of this year, so we wouldn't be aware of anyone that's actively issuing flow-through shares. And so as Minister said, that money has to be . . . So that money is raised. The flow-through shares are sold. They have to expend that money in this calendar year, so we . . . And it's harmonized with the federal program so that the information from our program comes from the federal government during, like after the tax year.

Ms. A. Young: — Thank you. Thanks for that answer. And looking at the shift from 10 to 30 per cent, recognizing it is for tax credits, is there a maximum amount that could be issued? Sorry, I'm not being clear. You know, if a project is 10 million, if it's \$10 billion, I guess what's the maximum exposure for . . .

Mr. Hughes: — Just for flow-through shares I mean it only benefits junior exploration companies because, you know, any larger company would use the tax benefit themselves. So really the limit on how much it is, is how much a junior company can raise and expend in that calendar year. So it tends to fund smaller exploration projects in the province that really drive, you know, the exploration industry and, you know, the future development. The billion-dollar expenditure is not possible.

Ms. A. Young: — Thank you for that. And then last question: the selection at 30 per cent, is that . . . The rationale for that is matching the feds?

Hon. Mr. Reiter: — No, well there's a bit of rationale around it. So Manitoba's at 30. We match Manitoba at the highest percentage in the country, and I think it was, you know, a number of reasons. The ministry did some work on that, but I would just say we want to show how serious we are about this. It's matching the best rate in the country. You know, to your point I guess the feds are at 30 as well so we just think it's good news all around.

Ms. A. Young: — Thank you. And the rush now for further incentivizing exploration versus . . . I've seen some calls in industry for increased incentives around manufacturing and processing as opposed to exploration. Could you speak to that choice a little bit?

Hon. Mr. Reiter: — So I think it's fair to say, you know, we've got 23 of the 31 critical minerals in the country. You know, the

question about processing is a good one, but essentially we've got to start mining them first, right. So in the mining world, this is the first step in it. It's the exploration, and this is targeted very much at the exploration side of it.

So at some point down the road, you know, we may look at doing something more in the processing side. I don't know. That'll be a decision to be made in the future, but right now if, you know, we don't want to just say there's incidences of 23 of the 31, we want to talk about how many of them are being mined here.

Ms. A. Young: — Thanks, Minister. No further questions.

The Chair: — Seeing no further questions from committee members, we will now move to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 and 3 agreed to.]

The Chair: — His Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Mineral Resources Amendment Act, 2023*.

I would ask a member to move that we report Bill No. 128, *The Mineral Resources Amendment Act, 2023* without amendment. Mr. Domotor so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Minister, any closing remarks on this bill?

Hon. Mr. Reiter: — No, I just once again would like to thank officials from the ministry for all their work, the ones that are still here, Cory and Susanna; thank committee members; thank the Assembly staff; and thank the critic for her questions.

The Chair: — Ms. Young, any comments?

Ms. A. Young: — I would echo those thoughts. And have a wonderful night, everyone.

The Chair: — We'll now take a 15-minute recess before we move into the Ministry of Environment.

[18:45]

[The committee recessed for a period of time.]

**General Revenue Fund
Environment
Vote 26**

Subvote (EN01)

The Chair: — All right, welcome back, committee members.

We will now consider the estimates for the Ministry of Environment. And we will begin with vote 26, Environment, central management and services, subvote (EN01).

Minister Skoropad is here with his officials. And I would ask that officials please state their name and titles the first time they speak to the mike. And if you just raise your hands, Hansard will be following along and turn the mikes on for you.

So, Minister, you can begin by introducing the officials that have joined you this evening, and any opening remarks you have.

Hon. Mr. Skoropad: — Great. Thank you, Madam Chair. And good evening, members of the Standing Committee on the Economy. I'm pleased to be with you here today to present some of the important initiatives that are supported by the 2023-24 Ministry of Environment estimates.

Here with me this evening are some members of our team, in no particular order: Kenneth Cotterill, my chief of staff; Veronica Gelowitz, deputy minister; assistant deputy ministers Kevin Murphy, Wes Kotyk, and Rebecca Gibbons. Seated on my left is Aaron Wirth, executive director of climate resilience branch, and at the back we have Nick Gan, director of budget and reporting branch.

The Ministry of Environment's budget will increase to \$95.3 million or by 2.9 per cent in '23-24. This will help support investments in the ministry's mandate of environmental protection, sustainable resource management, and continue to make the province more resilient to the impacts of climate change. This includes almost 5 million for climate resilience to continue the important initiatives currently under way.

As a ministry, we have wound down our small modular reactor program. Our SMR [small modular reactor] unit completed and met its objectives, which included the SMR feasibility study, strategic plan, and supply chain and business case. The program has now been transferred to the Crown Investments Corporation where they will continue their work on energy security. However the Ministry of Environment will be still responsible for environmental protection and policy for this ongoing work.

In our pursuit of sustainable development, we recognize that striking a balance between economic growth and environmental protection, conservation, and biodiversity is crucial. We have committed more than \$17 million for fish and wildlife populations, and management of Crown resource lands, an overall increase of 9.2 per cent. This includes funding to support the province's critical minerals strategy through opportunities to improve the permitting process.

As we strive to support industry's important work, such as sustainable mineral exploration, we also remain vigilant in our efforts to conserve and protect the diverse species that inhabit our province.

This budget includes \$1.8 million to support species at risk, including \$250,000 for conservation actions in the south of the divide and greater sage-grouse critical habitat. This project will further implement a made-in-Saskatchewan, multi-species approach to managing threatened species.

We're also allocating \$4.8 million to continue to support the Fish and Wildlife Development Fund, which will help us better manage and conserve our wildlife, fisheries, and habitat resources. The fund is a key component to protecting and enhancing Saskatchewan's wildlife and landscapes. It has a continued focus on the protection of vulnerable fish and wildlife habitats, the promotion of resource education, and endangered species programming that supports the sustainability of our province's vast and biologically diverse landscapes and wildlife populations.

Additionally, beginning September 1 of this year, we are introducing a new wolf hunting licence as an add-on to the non-resident outfitter big-game hunting licence.

This new licence reflects our commitment to balancing economic growth with environmental conservation. It will provide Saskatchewan outfitters with additional opportunities to support their businesses while implementing a sustainable and responsible approach to wildlife management. Ministry staff have been working collaboratively with Saskatchewan Trappers Association and Saskatchewan Commission of Professional Outfitters on the development of this hunting opportunity.

I would now like to take the opportunity to highlight some of our major accomplishments over this past year. We continued work on the remediation of non-uranium abandoned mines which is a significant environmental and public health concern. In collaboration with industry, Indigenous communities, and other stakeholders, we're developing comprehensive plans for the remediation of these sites.

Our mine remediation strategy includes conducting thorough site assessments to determine the extent of contamination and environmental risks, developing tailored remediation plans to address specific site conditions, and engaging with local communities and stakeholders to ensure their concerns are addressed. Furthermore our strategy involves monitoring and maintaining remediated sites to ensure their long-term safety, stability, as well as promoting sustainable land use and economic development opportunities.

The province is currently addressing the six highest risk sites, including Newcor near Creighton, Western Nuclear on Hanson Lake, Vista near Creighton, Anglo-Rouyn north of La Ronge, Rottenstone on Rottenstone Lake north of Missinipe, and Box mine located near Uranium City. Last year we were pleased to be able to complete remediation work on the Newcor mine.

The final remediation plans and execution for the remaining sites are expected to be completed in the coming years. This work helps fulfill our commitment to clean up abandoned mines in northern Saskatchewan, so they will no longer pose risks to the public and environment and will no longer be publicly reported as environmental liabilities.

In February of this year, we had the first successful application for the Impacted Sites Fund. Through this fund, municipalities can apply for funding to clean up orphaned, environmentally impacted sites. These are abandoned sites where there is no financially viable responsible party remaining. Recently the town of Shaunavon received just shy of \$37,000 which will help them determine the extent and magnitude of the impacts.

Our solid waste management strategy was introduced in 2020. Each year the strategy's annual report is released, outlining the progress we have made on the goals that guide our Saskatchewan vision for waste management. Supporting and encouraging people to reduce, reuse, recycle, and composting is key.

I'd like to recognize Sarcen for their continued work supporting waste reduction in this province. Earlier this year they reached a tremendous milestone processing their 10 billionth beverage container. In Saskatchewan we have one of the most robust suites of recycling programs in the country. We continue to implement our solid waste management strategy recognizing the critical role waste management plays in protecting the environment and public health.

It's a strategy that protects the environment and promotes economic development and innovation. It also recognizes that we all have a significant role to play in reducing the amount of solid waste we send to the landfills for the health of our people and certainly for the health of our province.

The ministry endeavours to support communities to meet the challenge of solid waste management. Following stakeholder feedback, we've recently added a chapter to the Environmental Code related to transfer stations which are low-cost and convenient alternatives to landfills. This code streamlines the permitting and reporting process and provides flexibility to help transfer station owners achieve environmental compliance. We also expect that these changes will reduce the cost to municipalities.

In the coming weeks the ministry will be launching engagement on a code chapter for compost facilities. Like the transfer station code, we expect this change to streamline the siting, design, and operation process for municipal compost facilities.

Inert landfills are another important tool in the waste reduction kit. Inert materials can also be referred to as construction or demolition waste. Not only do inert landfills help divert solid waste from industrial or municipal landfills, but they are less costly to construct and to operate.

To help municipalities complete the approval process for designing and operating an inert waste landfill, the ministry developed and published the inert landfill design and operational guidance document in July of this past year. This supports communities to better meet their local challenges of waste management. We have heard that this document was certainly well received by stakeholders who requested it. We'll continue our efforts to promote environmental stewardship in the province.

It is essential that we recognize the importance of climate resilience in ensuring the long-term health and sustainability of our ecosystems and natural resources. Each year we release an annual resilience report on Prairie Resilience, our made-in-Saskatchewan climate change strategy. This is to demonstrate our continued commitment to build resilience to climate change in our province. The 2022 resilience report shows sustained positive trends and improvements from the previous year in all resilience measures. Of the 22 measures reported this year, 18 measures are in good standing, and no measures are in poor standing.

The introduction of our output-based performance standards program, or OBPS program, exemplifies our commitment to enhancing climate resilience while fostering a thriving economy. This made-in-Saskatchewan industrial emissions pricing system aligns with our Prairie Resilience climate change plan, encouraging industries to reduce greenhouse gas emissions, improve emissions intensity, and adopt more sustainable practices. By collaborating with stakeholders across government and industry, we have developed a robust and adaptable framework that supports both environmental protection and economic development.

By expanding the system to include additional sectors, we are further diversifying our efforts to reduce emissions and promote more sustainable practices across industries. This made-in-Saskatchewan carbon pricing program will save Saskatchewan industries, and the jobs and the families they support, an estimated \$3.7 billion compared to the federal backstop between now and 2030.

Our Saskatchewan OBPS program also features the Saskatchewan Technology Fund, which will direct funds to support industry efforts to reduce emissions intensity through use of technological innovation. We look forward to seeing how the projects advanced through the fund will benefit our province for years to come.

Forestry is northern Saskatchewan's largest sector and the backbone of our northern economy. The northern forestry sector supports families and communities with nearly 8,000 jobs and hundreds of businesses. It is a sector that has seen significant recent investment and stands to bring even more opportunity to our province's North — opportunity that aligns with our growth plan goal of doubling our forestry sector by 2030.

With this in mind, we have committed \$400,000 to continue accelerating the forest resource inventory project. This project will allow the ministry to better estimate timber volumes and susceptibility to natural disturbances, and better support sustainable investment in this important sector. Our government welcomes sustainable developments and works with industry to ensure that our forests continue to be well managed, healthy, and sustained over the long term.

Saskatchewan's forests continue to contribute to climate change mitigation and resilience through sustainable harvest practices and management of fire, insects, and disease. In May of this past year we approved the 20-year forest management plan for the Island Forests, which covers more than 226,000 hectares of Crown forest land in the north central Saskatchewan in the Prince Albert area. This land includes the Nisbet, Fort-à-la-Corne, Canwood, and Torch River provincial forests. Because they are so close to many communities, these forests are highly accessed for many purposes.

Most forest management plans take several years to complete and are typically developed by forestry companies with long-term licences for the area. This area is without a licensee, but the Ministry of Environment, recognizing the value in having a strategic plan for the area, undertook the responsibility for the development of a forest management plan. This involved public engagement and consultation with First Nation and Métis communities, and an independent evaluation assessed the plan

strategies and process.

The plan took more than 10 years to complete and is the first forest management plan developed by the ministry. We are pleased to see this work completed, and that a plan to ensure the forests' long-term health and sustainability is now in place.

[19:15]

A final highlight is that, through targeted monitoring, we have seen a significant decline regarding the threat of mountain pine beetles. An infestation of mountain pine beetles would potentially be devastating to our forests and forest-dependent communities, so early detection prevention is certainly key. We are pleased that the ongoing surveillance in the boreal Northwest and Cypress Hills Interprovincial Park is keeping our forests safe from this potentially destructive insect.

As a whole, the ministry recognizes the importance of public stakeholder and Indigenous engagement in ensuring that our policies, programs, and services are supported and informed by the citizens that we serve. To enhance this work, we established the ministry's Indigenous Engagement Fund. This fund supports meaningful participation and engagement initiatives with First Nation and Métis communities and organizations.

A good example of this work is the work happening around woodland caribou range planning. Throughout this last fiscal year, the ministry undertook extensive engagement with industry, First Nation, and Métis communities to understand the various perspectives and concerns regarding woodland caribou range planning. In-person meetings were held in Prince Albert, La Ronge, Black Lake, and Hatchet Lake. Throughout these sessions, rights holders and stakeholders were provided opportunities to participate in developing and implementing the range plans, plans that have helped us develop a more comprehensive and effective approach to mitigating potential impacts on woodland caribou and their habitat while respecting the rights and interests of stakeholders. These consultations and the relationships they foster remain critical to the ministry planning and support our growth plan objectives while maintaining an ecological balance.

Our ministry's fish and wildlife branch also undertook significant engagement this year by working closely with the Saskatchewan Aboriginal Land Technicians and the Métis Nation of Saskatchewan. Through this work, the ministry has ensured that their valuable input on habitat management planning and chronic wasting disease is taken into account. This collaboration strengthens our collective efforts to address these crucial issues, resulting in more effective and sustainable management practices and strategies.

As we continue to forge collaborative relationships and seek meaningful engagement with stakeholders, our focus remains on fostering a resilient and prosperous future for Saskatchewan, where environmental stewardship and economic growth certainly go hand in hand.

As the world evolves around us, so too do the needs of our customers and stakeholders. We are continuing to work on the public inquiry project to modernize our customer service platform and customer management database. We have allocated

\$2.8 million in IT capital funding to drive this project forward.

As we move forward, we continue to prioritize the health and resilience of Saskatchewan's precious resources. The work we have presented here today is only the beginning, and we believe these measures will help us achieve our goals and create a better future for all citizens of Saskatchewan. It's through our combined efforts that we can create a thriving Saskatchewan where environmental stewardship and economic growth are mutually reinforcing. Together we can foster a bright and prosperous future for our province and for generations to come.

And with that, I would like to thank the committee of Economy for your attention and support, and I look forward to questions. Thank you.

The Chair: — Thank you, Minister. I'll now open the floor to questions from committee members, and I'll recognize Ms. Young.

Ms. A. Young: — Thank you, Madam Chair. And thank you, Minister, and all your officials here tonight who've done so much work leading up to tonight. And I'm sure there's many watching at home as well who've worked so hard over the past year.

Minister, you mentioned in your introductory comments funding to support the critical minerals strategy. What was the value of that funding?

Hon. Mr. Skoropad: — Thank you. Thank you for the question. Yeah, so there's \$300,000 that's budgeted to perform a review of the process, of the permitting process for exploration.

We conducted an internal review already and found some efficiencies and some improvements we can make internally, but we're endeavouring to conduct, have an external review done. And so that's \$300,000 for that. And then another \$200,000 additionally for two FTEs to support that branch's work.

Ms. A. Young: — Thank you, Minister. You also mentioned in your introductory comments some of the work that your ministry has done on the SMR file. And forgive me, I believe you mentioned with work on both a feasibility and a business plan. Am I right in having heard that?

Hon. Mr. Skoropad: — Yeah, no, you're spot on with that. It was for a feasibility and a business case model. And so with that being wound down, that was rolled into the CIC [Crown Investments Corporation of Saskatchewan].

Ms. A. Young: — And that was wound down in this most recent fiscal year?

Hon. Mr. Skoropad: — Yes.

Ms. A. Young: — Thank you. When will the feasibility and business plans be made public?

Mr. Wirth: — Hi. Aaron Wirth, the executive director of the climate resilience branch. Thanks very much for the question.

So the feasibility report was actually produced about a couple of years ago, and it was produced in association with all of the

energy and environment ministry departments within Ontario, Saskatchewan, and New Brunswick, with the power companies in those jurisdictions. So that was released publicly. We supported them, but it was really led by the power companies. It explained in detail the economic and technical feasibility of SMRs.

To your other part of your question about the business case report, that was work that was commissioned by the Ministry of Environment. We had worked with a consulting firm called Hatch consulting on that, and the purpose of that report was essentially just to understand the economic benefits of small modular reactors beyond grid scale — small modular reactors for electricity production.

So whereas SaskPower was really focused on grid scale, reducing emissions, providing safe, affordable, reliable power, our report was really focused on all the economic benefits in terms of Generation IV small modular reactors that would provide heat and steam. Maybe they could support hydrogen production, research medical isotopes, and things of that nature. So it was a little bit different than what SaskPower was doing. And we completed that report.

But really, Crown Investments Corporation is really now responsible for that file. There's an energy security unit within that organization that really now has the study under their purview, and I understand that there is an executive summary that can be made public as part of that study. And Crown Investments Corporation is looking to do just that, to share that with stakeholders, proponents of SMRs, and others.

So those are sort of the various reports that the SMR unit worked on. But again the Crown Investments Corporation is really responsible for disseminating the work around that Hatch business case analysis.

Ms. A. Young: — Okay. So that document then lies with Crown Investments Corporation?

Mr. Wirth: — Yes. And there is an executive summary that, I understand Crown Investments Corporation has been making it public to certain stakeholders. It's a public-facing document, absolutely.

Ms. A. Young: — Thank you for that. And with the transition of those responsibilities over to CIC, has there been any movement of FTEs accompanying that?

Mr. Wirth: — Aaron Wirth, executive director of climate resilience. First, thank you for the question. Yes, so because there was a three-year mandate for the small modular reactor secretariat or unit within the climate resilience branch of the Ministry of Environment, it had completed its work within two years or just over two years, and so it was wound down. So as part of that mandate, that work was complete, and so those positions were wound down. They were temporary in nature.

And then Crown Investments Corporation, because it established a new energy security unit, it saw a need to have some capacity around small modular reactors on behalf of the Crown sector and with respect to executive government. So you know, they staffed up. They hired a nuclear physicist that happened to be the nuclear

physicist that was working within the SMR unit. So he took a position there before the completion of the wind-down. Another individual went to SaskPower, working on some of the engagement there related to small modular reactors as well in that Crown corporation. And then all of the other positions were vacated through attrition, folks stepping down in those positions or finding other roles elsewhere before the actual wind-down was completed.

Ms. A. Young: — Thank you very much for that. I'd like to move on to a handful of questions about the OBPS.

Hon. Mr. Skoropad: — Sure.

Ms. A. Young: — And I guess maybe just starting to try and get a better understanding of where things are at, and a baseline for this. How many industry dollars so far have been captured by this?

Hon. Mr. Skoropad: — So just clarity on that. Are you referring to since the inception of OBPS?

Ms. A. Young: — Mm-hmm.

Hon. Mr. Skoropad: — Okay, yeah. We're just trying to get you an exact number on that one. We're . . . It'll just be a second.

Yeah, you know, thanks again for that question. So the total that we've taken in for compliance payments to date — and these would be for the years 2019-2020; those are the years that would be accounted for here — and it is \$29,270,017.70.

Ms. A. Young: — A remarkably accurate number. Thank you. Thank you, Minister and officials. And just so I'm comparing apples to apples, when you reference the years, is that fiscal or calendar?

Hon. Mr. Skoropad: — That would be calendar years.

Ms. A. Young: — And since January 1, do you have that total as well?

Hon. Mr. Skoropad: — Since last January?

Ms. A. Young: — Yes.

[19:30]

Mr. Wirth: — Thanks for the question. So the 2019-20 compliance series are the ones that we've collected payments for. The reason that there's a lag is honestly because of the COVID pandemic. So we had a number of companies that had to close their facilities because folks had contracted COVID. There was supply-chain disruptions. There was some challenges, so we provided some leniency to our regulated ministry to give them a little bit of extra time to start up their operations.

We are also re-baselining a number of companies as well at the time because of just large shifts in production because of COVID-19. That's how the program works. We essentially set these baselines for companies that then they are compared against in terms of their emissions intensity.

And so we are seeing significant changes in the economy because of COVID and in the market. So we really needed to take a step back and say, these baselines that we're judging our companies against in terms of their emissions reduction requirements are no longer representative. And so we spent a fair bit of time working with a number of companies to find a more representative baseline. The federal government actually did the exact same thing. They provided the same type of leniency. They extended their program and the compliance obligations that were owed under the federal output-based pricing system. So that's why we see a little bit of a delay, and that's why we've only just recently started collecting the '19-20 compliance.

We are moving forward; going to try to kind of close that gap. So it's a little bit, you know . . . The compliance year, after those emissions are emitted and compliance is calculated, we are trying to move that to about a one-year process so we can provide more regulatory certainty for our regulated emitters and so we can collect those compliance obligations as soon as we can. So we will see 2021 compliance due at the end of December of this year, and then it will be a one-year process from that point forward.

Now with regard to the new federal benchmarks starting in January 1st, 2023 retroactive, we are still working to stand up our regulations, and the federal government will be working to stand down the regulations. So we don't have regulatory authority just yet, but presuming that they transfer that regulatory authority for SaskPower, SaskEnergy, electricity emissions facilities, and natural gas transmission pipelines to Saskatchewan — and that's retroactive January 1, 2023 — those compliance payments, which there's a lot of interest in in terms of Saskatchewan getting control over at least those compliance payments staying in Saskatchewan, won't actually be due until December 31st of 2025, so not until almost 2026. So we're looking forward to, you know . . . Job number one is focused on just getting control.

We're in the process of finalizing our regulations, which are required by the federal government to review those regulations, to accept those regulations. They've already accepted our proposal, but they need to look at the regulations and then all the standards that come with those regulations. And once they've done that, then they can start the process this summer of standing down their regulations. And once that happens we can register electricity facilities and natural gas transmission pipeline facilities and start the process of calculating emissions for those compliance years, and then assessing compliance obligations based on that.

Ms. A. Young: — Interesting. Thank you. That's a huge amount of work that has to happen. And I appreciate everyone, I imagine, in this room and not in this room working to make this so. I have a handful of questions I think related to that, and hopefully they are somewhat coherent.

When you talk about re-baselining, can you expand on that a little bit in terms of . . . Am I right in assuming that taking the COVID years as a baseline was not necessarily an accurate indicator? And that was what prompted that?

Mr. Wirth: — Great. Yeah, thanks very much for the question. Yeah, so the processes of re-baselining is really just trying to allow facilities to have a baseline from which they can reduce their emissions' intensity. And so the way our program works is,

when you register we look at your facility emissions; we look at your production. We work with the facilities to understand kind of, you know, what did the last five years look like. And we try to pick out three of the most representative years of those last five years to establish a baseline.

And the beauty of our program is that that facility can then start to make reductions based on that baseline versus some other programs that are based on average emissions intensity for an entire sector, for example. So in this case, the facility can just really look at their own operations, look for efficiency improvements, look for technology adoption to reduce those emissions. And the program really works really well that way.

So COVID was a real challenge for us. You know, you're absolutely right. I think you intimated that there was probably, you know . . . in some cases there were swings in terms of significant reductions in production. So if you have a significant reduction in production, your emissions intensity overall, your emissions per unit of output goes up, right. And so it's really unfair for a facility, because of some extenuating circumstance like COVID-19, to have to sort of endure that.

And so it required us to work with those companies to understand what was the nature of them shutting down a facility for a period of time. You know, if there was COVID illness within the facility, what did that look like? And so we worked with a number of companies like that to re-establish those baselines for those companies.

And you know, there's a lot of facilities in our program. There's 150 individual facilities in our program. And within that 150-plus facilities, there's about 13,000 individual oil and gas facilities. Our program's pretty unique in that we've been able to aggregate all of our small oil and gas infrastructure within our program to provide carbon tax savings and sheltering for oil and gas in particular, particularly the smaller companies. So it's a fair bit of work.

Going forward, we're going to have to actually do a lot more re-baselining, we're finding, and that's really because of changes that the federal government has made. So the federal government recently updated its federal benchmark for the period of 2023 to 2030 and included a new scope of emissions, called flare emissions, particularly from the oil and gas sector, where methane is being burned before it's being released into the atmosphere, because that's more environmentally friendly.

And so because they asked us to add that program for the very first time and we already were covering that program under the Ministry of Energy and Resources' methane action plan and their own methane regulations, we were going to need to make sure that oil and gas facilities are getting recognition for the emissions reductions that they've already made.

And those emissions reductions are really significant in terms of the oil and gas sector. They have really met their targets well before the federal deadlines for meeting those targets, and to about, you know, 60 per cent, which is more than the 45 per cent that was required from the federal government.

So we're going to have to probably re-baseline about 13,000 oil and gas facilities so that their baseline is more representative and

we can provide recognition for reductions they've already made to support a healthy environment in the oil and gas sector. So lots more re-baselining to do.

Ms. A. Young: — Thank you. It's really interesting. And I appreciate the work that's going on to, as you say, support a healthy environment and a healthy economy here in Saskatchewan. Can you help me understand a little bit more about some of the carbon tax sheltering that you referenced specifically I believe for smaller oil and gas producers?

Mr. Wirth: — Sure. Yeah, thanks very much for the question. So for the oil and gas sector in particular, they have a sector-specific performance allocation. Another word for that is an emissions reduction requirement. That emissions reduction requirement is to 2030.

And for the oil and gas sector within our provincial output-based performance standards program, that performance standard is 20 per cent. It is the highest performance standards of any sector. And that is in recognition that, you know, all of the companies are emissions-intensive, trade-exposed. But we do a number of analyses to show the ability out of each sector to reduce their emissions, and then we sort of pro-rate that depending on what's technically achievable for that sector.

So it's 20 per cent emissions reduction requirement in our program by 2030. And so effectively that, you know, you can kind of think of it as, well if you're not in an OBPS program, typically you're paying 100 per cent of the carbon price, the federal carbon price. In this case they would be sheltered so that they would only be paying 20 per cent of the carbon price, or sheltered 80 per cent of the carbon price. That provides all of these facilities more time and runway to find emissions reductions, the lowest cost pathways for their emissions reduction requirements.

There's a number of other programs that we have, like the technology fund that the minister mentioned, that they can pay into and they can benefit from by making an application to that technology fund to find new technologies, new innovations that will help reduce their emissions and technologies and innovations that other companies within the sector or other sectors might be able to scale or replicate as well.

So the program is really in recognition that they're . . . Because they're trade-exposed, they can't pass their carbon price on to their customers because their customers are in international markets and most of those international markets that we trade in don't have carbon prices. So it's really a recognition that these companies need the time and space to reduce those emissions, and that allows them to do that. And it allows us to protect those industries.

And it really does avoid carbon leakage as well. We don't want to see some of that production go to other jurisdictions and those emissions go up because there's more lax environmental standards, which we see in a lot of cases. A lot of our competitors are frankly in Russia, China, Belarus, and we know that potash, uranium, and other production in a lot of these places is of a higher emissions intensity overall.

So the more we see production in Saskatchewan, because there's

only so much demand for these commodities, we're actually displacing some of that production in some of those other countries where we're seeing higher emissions. So that actually reduces overall emissions globally, and that's really the point of climate change. We know that climate change knows no boundaries, and the things that we're doing in Saskatchewan is really, you know, a great opportunity to address the global problem of climate change.

Ms. A. Young: — Thank you for that. In hearing what you've said about obviously like the trade exposure of some of our sectors, it twigs for me a conversation my colleague, MLA [Member of the Legislative Assembly] for Regina Rosemont, had in estimates last month with the Minister of Agriculture when they were discussing some of the opportunities and, you know, challenges that producers in the province have and things that are of interest over there, like sequestering carbon in the land.

And he talked about that obviously is the importance of native grass and things like that as carbon sinks and as well as, you know, the critical role that the livestock sector plays in the maintenance of that.

Essentially what I'm rambling on about is the role that producers in the agricultural sector also play in potentially sequestering carbon as well as the impact that carbon pricing has on them. And I believe we put a question to the minister around, you know, now that in certain places the government is taking control of the carbon price and collecting, administering it, what opportunities there are and how it relates to the agricultural sector. And the Minister for Agriculture, I believe, deferred to Ministry of Environment.

[19:45]

So being totally out of my depth on this as critic for neither and certainly not a producer or farmer myself, I'm curious what opportunities there are for that sector with the work that you're doing here.

Hon. Mr. Skoropad: — Yeah, thank you very much for the question. You know, as you well know, agriculture resonates right to the core of who I am, so I very much appreciate that question. So I just want to create some context here. As far as agriculture goes and as far as the fuel side of it when we're talking carbon tax on fuel, so agriculture and producers will be exempt from that, okay. Now we create a whole other context as compared to what Aaron was sharing with you regarding industrial emitters and so on so forth.

That said though, you know, I'd be remiss if I didn't point out that agriculture and producers continue to be subjected to the carbon tax indirectly/directly, certainly through the pass-through costs of inputs whether it be transportation, getting product on or off the farm, whether it be equipment that they're purchasing. Manufacturing also is certainly something, through fertilizer, something that we certainly know that our farmers use significant amounts of fertilizer to grow the crops that we grow. So certainly that is a concern. It's a continued concern. We continue to obviously lobby the government regarding the carbon tax side of it, but we don't need to get into that I don't think right now. You certainly know where, you know, I guess my mind would be.

But I will point out that we have considered and we have been exploring the potential for offset credits for ag producers to recognize the good work that they're doing, the good work that they've already done, and good work that they continue to do. As you know, we're leaders when it comes to sustainable agriculture practice, whether it be zero- or low-till, whether it be direct seeding, whether it be variable rate, whether it be cover cropping. We certainly are leaders in that. And we're always looking for opportunities to support our producers in benefiting from that.

So we've explored how we can support producers in benefiting from their practices in the voluntary offset markets. Certainly had some challenges with those markets, but we continue to look at alternatives and how we can certainly leverage what we do here.

So I will just also point out something else. We are also supporting, when it comes to ag producers, supporting a bill that's working its way through the federal system, through parliament, regarding grain drying and fuels used for grain drying: propane, natural gas. And so it looks like there's some promise there. But it's working its way through. So we've certainly lent our support in favour of that. But that's certainly where we're landing.

Ms. A. Young: — Yeah, thank you so much, Minister. You know, those concerns about the reality right now for producers are obviously shared concerns. And really interested to hear some of the potential work that's coming, like you're maybe coming along with offset credits or things like that for producers.

Understanding, obviously, this isn't related to the OBPS, but you know, carbon taxes and emissions in general. Would the ministry be expecting, like, presentations or proposals from other impacted ministries like the Ministry of Agriculture? Or would you be doing that consultation work with ag producers to really identify what those key opportunities are to ensure that, you know, of course we can recognize the really important work around emissions reductions that's already going on in the province?

Hon. Mr. Skoropad: — So what I'd like to do is I'm just going to back it up to something I wanted to actually mention last time. And I just want to note, you know, in addition to some of the work that we've done already, you know, in investigating the possibility to benefit from carbon offsets, we have recently supported the Sustainable Sask initiative and the branding that's taken place there as a way to, for the lack of a better term, better market our products and to share and tell our sustainable story to the world. So that's certainly an element and a component of, you know, what you've asked in your question.

And even going back to what Aaron had referred to earlier, talking about carbon leakage, talking about the products that are out there. And that's really what's driving a lot of that Sustainable Sask initiative is the fact that when you look at, when you compare our products, you know, you certainly compare our agricultural products to our competitors, you'd be looking at canola at 64 per cent less emissions intense when compared to our competitors. You'd look at wheat at 65 per cent less emissions intense, all the way up to field peas where it's 95 per cent less emissions intense. So it's really critical that we share that story. So that's the other side of this. So I just want to just point that out.

But to that end, the sustainable growth secretariat has certainly been driving lots of that work. And we certainly support and work with that secretariat. But also the secretariat has been doing work, I know, and I don't want to really speak too much for them as far as — I hate speaking for others, right — but as far as doing engagement, and on all fronts.

But I would like to actually, if I could, just actually pass it back to Aaron here for a second just to also give you a bit of a context of where we've been regarding that offsets question, because we've travelled down that path, and it got caught up in the mire. So I just want him to just . . . Maybe you can touch on that if you don't mind there, Aaron.

Mr. Wirth: — Yeah, thanks for the question. The provincial government and through the Ministry of Environment, we're very interested in offset system in Saskatchewan. We actually spent several years working towards one including, you know, the Herculean task of actually developing the offset protocols, many of which can take upwards of a year to actually develop before they're in place and can be used in either regulated markets or non-regulated markets, the voluntary market for example.

So we had actually developed in 2021-2022, a landfill gas protocol that we wanted to provide as an opportunity for offset project developers in some of our landfills be able to access. We had aerobic composting. We had one for soil organic carbon and then grasslands management protocol, and this was kind of our first foray into the offset space. We were going to make these available to our regulated emitters within the provincial output-based performance standard system so they could buy credits probably at a slight discount so it'd be worth their while. And then offset developers would be incentivized to continue to do offset projects which would continue to reduce emissions, or sequester emissions, or avoid emissions.

So we are really excited about the prospects we did. We actually engage with more than 400 stakeholders on offsets. We held a number of webinars. We've been meeting off and on for several years with potential offset developers and regulators that want to buy these credits as well. And that was going to be one of our major compliance options for regulated emitters within the Saskatchewan output-based performance standard system.

However the federal government made a new change starting January 1, 2023 that said to have an offset credit within a provincial industrial emissions pricing program like the Saskatchewan OBPS, it has to follow all of these extremely stringent rules. One of the main rules that needs to be followed is something called additionality, so this idea that it has to be more than business as usual. And then there's other issues like permanence, you know, some monitoring for something like a hundred years. They have to be real verified in terms of their verification in international markets and systems.

And what that did is it basically discounted all of those offset credits that we were looking at because they wouldn't have been eligible in the program, especially things like zero-till, as the minister had mentioned. That was a big one for the federal government. The federal government continues to actually take credit in terms of national emissions reductions or sequestration from zero-till, but they don't give credit for it through industrial

emissions pricing programs like in Saskatchewan. And so that was something that we were very disappointed, and that caused us to have to remove offsets from our program because they wouldn't have been particularly helpful to us.

And then there was some credit that we could have included in our program, but because of new federal rules where demand had to meet offsets and because of also the rule that they had to trade at the marginal carbon price, it would have actually created a significant burden on industrial emitters in our program to offset those credits that may have been available. And that would have required us to ratchet up our performance-centred allocations to levels that would have been technically unachievable for industry. And so it was because of these new rules we had no choice but to abandon our offset program.

[20:00]

There is the voluntary market. I've been talking about the regulatory market, there is the voluntary market. It's a market that is fledgling, for sure. It has its challenges. It's very hard to navigate for anybody. So you know, I think there may be opportunities there just to look at how you might want to promote Saskatchewan-based offset credits.

We have some of the best land base anywhere in the world for offset development. You really need a large land base, like in Saskatchewan, to allow for sequestration. And so there is tremendous opportunity, but that market is just still pretty much in its early days. There's issues around carbon accounting. There's issues around which offset credits are being allowed in which markets, and there's really a patchwork of markets out there.

The markets are these registries that are international, and they themselves have their own rules. So it just, it's a very complex system to navigate. And we would have preferred a regulatory system, but the opportunity that, you know, may be available to offset development, including agriculture producers, is in the voluntary market at this point.

Ms. A. Young: — What a shame those changes came in on January 1. Not only the lost opportunity for the province, but as well I believe you used the words "Herculean task" and all the work that would have gone on. It's a real shame.

So I appreciate that. That was kind of directly to . . . The intent of my questions was understanding the opportunities that might be present in a Saskatchewan OBPS program for some of our other industries outside of kind of what one traditionally thinks of as industrial emitters. So yeah, thanks. You answered, like six of my questions at once. So, very appreciated.

I guess, looking at the OBPS currently for Saskatchewan, as it's moved and the changes that have taken place in taking control from the federal government, I guess just to make sure what I heard tonight is that emission quantification deadlines have effectively extended and the quantification filings are "backlogged" — sounds like a negative word — but essentially like back to 2019 going forward, looking to, I believe you said, December 2025. Is there any concern that companies will be able to potentially under-report emissions as a result of that?

Hon. Mr. Skoropad: — Yeah. No, you know what, it's a good question. It's a complex process obviously, so you know, you're certainly asking good questions.

Ms. A. Young: — Coherent questions?

Hon. Mr. Skoropad: — No, they're good questions, you know, to gain understanding.

So just as far as the process goes, there is quite a process from day one, you know, looking at the new regulations as far as under the new federal requirements, yes, beginning on January 1. But there is a process that takes place as far as data collection, data verification, and ultimately if there's a compliance owed. And so maybe I'll get Aaron, if you could just run through a bit of that timeline using maybe an example or to shed a little bit more light on that?

Mr. Wirth: — Yeah. Yeah, thanks very much for the question. Yeah, the process is really involved. We have a number of really talented emissions engineers that do this work for the province of Saskatchewan. And so it's not so much a delay; I think we're more or less caught up now because we've done the two compliance years, and we're going to kind of shorten the timelines for the emissions happening and then the eventual compliance.

So if it's owed, or credits generated potentially as well, that's the other part of our program. Industry can earn performance credits or carbon capture credits for having emissions below their permitted amount.

But essentially what the process will look like going forward is the start of the year will happen. It'll be January 1st. The facilities will start to calculate their emissions throughout the year or calculate the emissions from essentially the last year, essentially. So January 1st, they're looking at their emissions from last year. They're calculating those emissions. They actually have to go out to a third-party validator. We require that in our program because we want to add that additional rigour and scrutiny in terms of those quantifications. And so we have very detailed quantification protocols that are based on certain ISO [International Organization for Standardization] standards. They're internationally recognized, and we have very talented emissions engineers that do this work.

But we first have a third-party validator that is accredited validate what we call emissions returns for those companies once they've calculated their emissions. And it's quite a process to calculate those emissions. There are certain emissions factors that they have to use for different fuel types. They have to separate the different emissions depending on whether they're stationary, combustion, or other combustion, or maybe it's vehicles on the facility that are burning fossil fuels. So it's actually quite complicated.

So the industry has to do a lot of work or consult to have that work done to be able to calculate accurately emissions based on our quantification protocols and standards. And then a third-party validator goes through all that and scrutinizes it and then validates it. And then we will receive an emissions return in June. So they do all those calculations from January to June. We receive those emissions returns. We review them over the

summer months, essentially our team does. Quite a few emissions returns we receive. They all come at once.

And then in September we explain to them whether they've earned credits, how many credits they've earned, or whether they owe compliance. And so we send back to them that information in a letter and then we give them a due date of December 31st, the following December to make the compliance payments.

So the process is actually, relatively speaking, pretty quick. It's about as quick as other emissions management programs including the federal government. So we're pretty much matching the federal government in terms of our ability to turn these around. So I think we've mostly caught up.

Ms. A. Young: — Okay. Interesting.

Hon. Mr. Skoropad: — I'm sorry. If I could, I just want it to be really clear then. So the time frame that Aaron described and that you were asking about, I just want to stress that it's certainly not a delay, part of the validation process. It just takes that amount of time, as he described, you know, quite well: validation as opposed to delay.

Ms. A. Young: — For sure. Thank you. That was going to be my next question. I mean I'm not by any means an expert, but you know, my understanding is the feds have kind of like a single filing window and a massive bureaucracy able to support their processing, which I wouldn't anticipate that we have something comparable in scale or in scope here in Saskatchewan. But I'm hearing that the process is actually functioning quite efficiently. That's wonderful.

Well, looking at the tech fund, I guess I'm unclear. I've tried . . . I'm the critic for Energy and Resources and SaskPower so I've asked some questions in other opportunities. Is the tech fund up and running? Is there money in the tech fund, is it accepting applications? I'm curious.

Hon. Mr. Skoropad: — So the Sask tech fund, so that number that I'd read off to you before, and I'm going to go by memory here, \$29,270,017 and I think it was 70 cents or something like that. Am I right on that one?

Ms. A. Young: — That sounds accurate.

Hon. Mr. Skoropad: — Okay. I got it here on some sticky notes. That's the amount that has actually been accepted into the tech fund. So it's actually holding money right now. As far as the first intake of applications, that may be also . . . So we're talking intake of money, we've got some sitting there.

As far as the intake of applications, right now what we're doing is we're working through setting up our Sask review panel, which will be a panel made up of senior government officials. And so we're working on memorandums of understanding between ministries. Essentially they would provide some recommendation as far as projects that would, you know, be recommended to move forward. So that's where we're at. We're looking at that probably in, it would be in the coming months, in the coming few months here. That's what we're looking at.

Ms. A. Young: — Okay, exciting. That's great to hear. So

governance and reporting and all that's in place and getting ready to start rolling. So then again forgive me; I'm kind of basing all of this off what's publicly available in the news and reports that are public facing.

So when we go back and we look at the shift in responsibility around the OBPS as of January 1 this year, you know, the Premier's talked publicly about obviously there's — can't remember the exact number — like 572, \$580 million still sitting with the federal government that's been collected in carbon tax. Would all of that money then move over to the tech fund? Is it the Ministry of Environment who'd then be responsible for the administration and distribution of that?

Hon. Mr. Skoropad: — So prior to us putting forth our proposal to meet the updated federal benchmarks, electricity generation was under the federal OBPS [output-based pricing system] program. So that number you're talking about — that 480 million, yeah — we're talking about the same number, I'm assuming.

So that number, yes, that's by the federal government. But that will be, lack of a better term, Crown Investment Corporation is working, you know, on a proposal to get that money back. So as far as that question, it would probably be best struck to that minister in particular.

Ms. A. Young: — He sent it to you, so I'll ask him tomorrow.

Hon. Mr. Skoropad: — Yeah, perfect.

Ms. A. Young: — And then if he sends me to you, I'm coming back next year. But just to clarify, because in the discussion around that money — and I'm confident we're talking about the same pool of money — the tech fund in the province's OBPS system are discussed constantly in concert with that. So am I then to understand that should those funds . . . when those funds return from Ottawa to Saskatchewan, they're not going to be contributing to the tech fund?

[20:15]

Hon. Mr. Skoropad: — Yeah, thank you. So as far as the negotiations and what the plan is when those funds get, that \$480 million, gets brought back, once again I would certainly defer to the minister responsible on that one.

Ms. A. Young: — Okay, thank you for that. And again, I suspect this may be a question that then gets deferred to our favourite minister for CIC, but is there an accounting — and again I ask because this question has been roundabouted to the Ministry of Environment — is there an accounting of the dollars that SaskPower would have contributed so far since the province has essentially had their proposal accepted?

Hon. Mr. Skoropad: — You know, I'm going to just ask Aaron, if you wouldn't mind, maybe just outline this.

Mr. Wirth: — Yes. Yeah, thanks very much for the question. So again as the minister had mentioned, you know, SaskPower is still regulated by the federal government. So it is absolutely true that the federal government . . . Saskatchewan did make a proposal and that was notionally accepted by the federal

government.

But I think as we discussed a little bit here, we still have a fair bit of work to do to be able to show the federal government that we're standing up the necessary regulations and standards to enact that transfer of regulatory authority, again for SaskPower electricity facilities and SaskEnergy natural gas transmission pipelines. So that's what we're working on right now.

Until that happens, you know, SaskPower still continues to collect the carbon price and it continues to assume that it's paying those carbon tax proceeds and remitting those to the federal government. That has happened and will continue to happen all the way . . . for all the years from 2019 to 2020. So what we're talking about is, okay, what happens if — if — the federal government approves our regulations? It sends its regulations down, and then that transfer of regulatory authority happens retroactive January 1, 2023.

At that particular point in time obviously 2023 has to pass for those emissions to be calculated. And then assuming again, presuming that SaskPower is under the Saskatchewan output-based performance system, it would not owe compliance currently for that 2023 compliance year until end of calendar year 2025. So no you know, we've made no decisions about that. We're just focused on getting our regulations stood up.

You know, we have a technology fund. That's a compliance option that at some point may be available to SaskPower. SaskPower will have options to buy performance credits or CCUS credits as well. We can't really speculate on what business decisions SaskPower will make. But job number one is get control of emissions pricing for electricity sector including SaskPower, ensure that that's retroactive January in 2023, and then again those compliance payments wouldn't start flowing until December 31st, 2025.

Ms. A. Young: — Okay, thank you. Just a couple more follow-up questions on this. So in terms of the work that's going on with the feds to ensure that this is more than notionally accepted, is that work that's undertaken by the Ministry of Environment or is that elsewhere?

Hon. Mr. Skoropad: — Yeah, no, thank you. Yeah, no, that is our work in the ministry.

Ms. A. Young: — Okay, thank you. And then it was noted that . . . Forgive me, I'm forgetting your last name and I can just remember your first name is Aaron. And I don't want to be rude. Is it Wirth?

Mr. Wirth: — Yes.

Ms. A. Young: — Okay, thank you. Director Wirth, you referenced that SaskPower is assuming that they will be paying the carbon tax. The reason I ask is my understanding was that there was an agreement as of January 1, 2023. So is SaskPower currently paying a carbon tax anywhere?

Hon. Mr. Skoropad: — Yeah, thank you. So those questions are very specific to SaskPower, and you know, how SaskPower will be navigating that, so I would certainly defer and I think they're best put to that minister.

Ms. A. Young: — Thanks, Minister. I appreciate that. And I do appreciate that. But I mean, right now there's, you know, there's emissions going out — Boundary dam 4, for example — out the stack. I guess what I'm trying to understand is, is that going to pay under the federal or the provincial OBPS right now?

Hon. Mr. Skoropad: — You know, once again I would just say that until we've actually stood up those regulations and gone through, you know, the federal government on that, I certainly wouldn't want to comment or suppose for that matter.

Ms. A. Young: — Okay. Is the minister aware whether or not SaskPower is paying into the provincial OBPS right now?

Hon. Mr. Skoropad: — So as it is right now, they owe any compliance to the federal government until our regs are stood up.

Ms. A. Young: — Thank you, Minister. I guess, you know, last question from me on this — unless you say something wild in your answer — I guess given the fact that obviously there's still a colossal amount of work to be done, and as I've noted I think multiple times tonight, I really do appreciate the work that is going on to ensure that there is truly a made-in-Saskatchewan plan to protect Saskatchewan industries and the environment here in the province as well as nationally and around the world.

But given the convoluted, would the provincial government be keeping the OBPS if there was no federal backstop under a different federal government?

Hon. Mr. Skoropad: — You know, no, I can answer that one, I think, quite handily here. Certainly that's a huge hypothetical so I obviously won't comment any further on that.

Ms. A. Young: — Thank you, Minister. I'm going to take the opportunity to thank you, as well as my fellow committee members, and all of your staff here working at the ministry across the province and watching at home, as well as the Chair and committee staff. And I'm going to pass this over to my wonderfully capable colleague, the MLA for Saskatoon Meewasin. Thanks, everyone. Have a great night. I really appreciate it.

Hon. Mr. Skoropad: — I just want to thank the member for the, you know, the respectful questions. Very much appreciated.

The Chair: — I recognize Mr. Teed.

Mr. Teed: — Thank you so much. Thank you so much for letting me take some time here to ask a few questions in the place — thank you to my colleague — and asking a few questions in place of my colleague, Betty Nippi-Albright, our critic for the environment.

I just thought maybe I would start . . . I thought I would dive into some of the budget allocations here. But I wanted to start by asking, what vision have you brought as a minister into this role? What do you hope to achieve? I know you probably spoke a little bit about it in the preamble, but I was looking over some of the *Hansard* from last time, and you became the Environment minister after Minister Kaeding. I'm wondering what you hope to achieve in this role.

Hon. Mr. Skoropad: — Oh goodness. You know, it's an incredibly . . . it's a big file. It's an incredibly important file. It's an important file to the province, there's no question. Certainly, it's important on a number of fronts. And I think in my opening comments, I think I hit on it where we talk about the balance, you know, finding that and striking that balance. Certainly supporting economic growth is supporting, you know, the biodiversity and conservation that takes place in the province. And I really believe that those two do go very much hand in hand, so you know, supporting that work that happens in the province.

Mr. Teed: — Thank you so much. I'm going to jump into the budget. What stakeholder groups were consulted in preparation for this budget?

[20:30]

Hon. Mr. Skoropad: — Yeah, you know, thank you for that question. And you know, I'll try to do my best. The list is extensive. I'll give you certainly a good sample of, you know, some of the folks that we would have engaged.

I do want to point out that engagement, when you develop the budget, when we developed the budget, certainly didn't begin, you know, on this day and end this day on a tight window. Engagement takes, you know, over the course of the entire year in developing the budget.

So you know, certainly we've engaged with the Saskatchewan Mining Association, would have engaged with them, you know, quite substantially. Our solid waste management committee, our wildlife advisory committee, our Saskatchewan Trappers Association, our Saskatchewan Commission of Professional Outfitters.

In development and working with our OBPS and setting up our OBPS program, we had over 150 individual meetings with stakeholders. Looking at, you know, some of the caribou range planning that we've done, we met with numerous communities in the Athabasca Basin. Hopefully that gives you a bit of a sample of some of the consultations that we've done.

Mr. Teed: — Any specific, like, stakeholders in climate or climate change?

Hon. Mr. Skoropad: — Thanks. So once again got a bit of a list here started for you, and certainly happy to provide more. Organizations like SUMA [Saskatchewan Urban Municipalities Association] certainly, SARM [Saskatchewan Association of Rural Municipalities], already spoke about engagements around our OBPS, habitat advisory committee, certainly want to point out, communities that are within the commercial forests in the province, solid waste management committee, U of R [University of Regina], U of S [University of Saskatchewan], for examples as well.

Mr. Teed: — Thank you so much. Would you have an overall change in the Ministry of Environment's budget between the '22-23 to '23-24? I have a percentage on change on any allocation of funding. And is there an area where you've seen the largest increase in funding or the largest change in this budget allocation?

Hon. Mr. Skoropad: — Sorry, I missed the first part. So are you asking for the change year over year, what our budget allocation is?

Mr. Teed: — Yeah. Yes.

Hon. Mr. Skoropad: — Yeah. So it's a 2.9 per cent increase.

Mr. Teed: — Okay.

Hon. Mr. Skoropad: — Okay.

Mr. Teed: — Any areas of note where you've seen the largest change in the allocation, would you say?

Hon. Mr. Skoropad: — Sure. I can give you a bit of a synopsis there.

Mr. Teed: — Sure.

Hon. Mr. Skoropad: — Yeah, thank you. So I'll just draw your attention to the fish, wildlife, and lands branch. And so I'll just break that out into a couple of different areas there, the wildlife and then the lands branch, or the lands program in particular.

So overall we're looking at a 9.2 per cent increase in that envelope. But specifically for the lands program, a significant bump there at 39.5 per cent, and largely due to our enhanced critical minerals strategy, some funding that's going towards there. Looking at \$300,000 for a consultation review process of our exploration permitting process, looking for efficiencies there. \$200,000 for two additional FTEs in that particular branch to support environmental review, duty-to-consult obligations, and the overall permitting process. There's also \$225,000 increase for our additional two FTEs to support, once again, support the environmental review process and address any existing backlogs in that particular branch.

Mr. Teed: — Speaking of FTEs, I noticed in central management and services (EN01) that there was a little bit of a decrease in this year's budget. Salary decreases under executive management, central services, as well as some decrease under the climate resilience. So have there been quite a bit of change in FTEs in the ministry over the last year, would you say?

Ms. Gelowitz: — Veronica Gelowitz, deputy minister. Thank you for that question. In central services there have been some changes in our deputy minister's office. There's the reduction of an ADM position this year. And we had spoken earlier about the wind-down of the small modular reactor unit, so that was a reduction of five FTEs. That program had end-dated. And so minister spoke to some additional FTEs in the lands program as well. So those were the significant changes in FTEs for the ministry.

Mr. Teed: — So with the wind-down of, like, the SMRs, does that then move into SaskPower jurisdiction? Would like something like that purview there? Or once the project is done, you've done some of the environmental assessment. Is that kind of how it works?

Ms. Gelowitz: — So the program end-dated in the Ministry of Environment. Crown Investments Corporation picked up

responsibility under their energy security unit for small modular reactors, and so they staffed up. The staff didn't actually transfer. We didn't do a direct transfer of staff.

Mr. Teed: — Right. I've learned a little something today as I was reading through the fish and wildlife lands section about, you know, it responding to treaty land entitlement and specific land claims, and learned that the Ministry of the Environment takes care of Crown lands in the North. So my question around that is, I was wondering if you had any numbers on how much Crown land has been sold in the last year through the Ministry of the Environment. And where does the revenue for that, where is that accounted for within this budget year?

[20:45]

Hon. Mr. Skoropad: — So in 2022, there were 21 sales of lands that the Ministry of Environment oversees. Total hectares is 27.32 hectares. Just a little over 27 hectares of land was sold last year, bringing in 863-odd thousand dollars.

Mr. Teed: — Okay, thank you.

Hon. Mr. Skoropad: — That fund, I'll just add . . . So those funds then would have gone into the Northern Municipal Trust which is administered by Government Relations.

Mr. Teed: — Okay, perfect. Thank you so much. One question as we look at fish and wildlife. In the last few years the government has changed the rules for fishing when Indigenous people and non-Indigenous people fish together. My understanding is that under the new rules, as long as the non-rights holder has a licence, both parties can fish together if folks are respecting catch limits.

We are inquiring to know if there were any plans to look at a similar framework applied to hunting parties made up of mixed, non- and Indigenous, hunters.

Hon. Mr. Skoropad: — What I'll do on this, I just want you to really understand both systems and kind of what we're looking at. We've got our expert here, Kevin Murphy here, so I'd certainly defer to him maybe to help me out on this one.

Mr. Murphy: — Thank you, sir. So as the minister indicated, I'm Kevin Murphy. I'm the assistant deputy minister for our resource management division of Environment.

With regard to the question, you're correct. There have been some changes in how we allow parties to angle together. There had been some assumptions about licensed anglers being able to pass their catch to an Indigenous right-bearing person, and we've changed that now. So as long as all parties are respecting the catch limits, we allow them to angle together and to participate in that. That's an activity that we saw a lot of interplay and a number of people wanting to go out and angle together.

With regards to hunting, a non-rights-bearing person can accompany an Indigenous person to assist them with a hunt. We allow for that to occur as long as that individual is not bearing a licence and hunting simultaneously. So they can accompany and assist. We've got circumstances where there are people who are relatives, as an example, who want to assist with the hunt.

In terms of allowing Indigenous people to accompany licensed hunters, so far that practice is not allowed. In terms of undertaking that work, obviously things evolve over time as society evolves, and if we received a number of concerns or requests for that kind of thing, we'd consider it. But at present, we haven't had very many people who want to participate in mixed hunting parties. It tends not to be something that we hear a lot about. Angling was definitely the case.

Mr. Teed: — Thank you so much. I'm going to jump into some of the highlights that came through with the preamble in the budget. It highlighted three areas where there was investment made: the Saskatchewan mineral exploration tax credit, money targeting supports for the mining industry, and dollars to improve geosciences.

So I'll maybe start with the Saskatchewan mineral exploration tax credit. Can you give just a little background on this? And I was wondering if there is a price tag or how much this will cost to offer this tax credit.

Hon. Mr. Skoropad: — You know, you're certainly correct. I mean these are targeted for, you know, the exploration sector. They do fall under Energy and Resources, so that's . . . Yeah, it's not Environment.

Mr. Teed: — Oh, okay. So likely all three of those, kind of, environmental . . .

Hon. Mr. Skoropad: — All three of those are Energy and Resources.

Mr. Teed: — Okay, sounds good. I will pass that along. Then I will move on here. So on March 23rd, the Saskatchewan Finance minister was asked in an interview about climate change and the environment budget. And she responded that it's sort of a global thing. She said:

I'm not sure if there is a single initiative that you would have that you can say this is climate change in every area. I think when you reduce the impact, it's how you affect climate change. It's largely driven by industry to be sure.

So I guess my first question is, what policies are being put in place through the Ministry of the Environment to ensure that any sort of guidelines are being put in place on industry from that "largely industry driven"?

Hon. Mr. Skoropad: — So I guess, to further what the Finance minister commented on before, you know, as far as our province's approach to addressing climate change, emissions reduction, certainly, you know, if someone's looking for a single budget line item to say "the solution to," that certainly is not something . . . That's not our approach.

Our approach is a one-government, government-wide approach, a government-wide approach that is certainly outlined in *Prairie Resilience*, our main Saskatchewan climate change strategy. And policy, specific policies and programs are available to certainly encourage the various sectors to continue the good work that they're doing right now to further innovation.

You know, you would find them in the various ministries.

Certainly you look at agriculture, and you look at our sustainable ag practices. You look at, when you compare our products to products elsewhere, just given our practices — our zero-till, our variable rate practices, the use of precision ag, our developing crop varieties, our methodology, our cover crops — you know, we're leaders in that area. And certainly our ag programs that support our producers to produce more is creating a solution to a global issue.

As you and I both know, emissions know no borders. This is a global conversation, and so given that it's a global conversation, Saskatchewan produces those sustainable products to be able to be the answer to the global question of climate change and emissions.

Now when you look at the products that we do produce — when you consider compared to our competitors — our emissions footprint on a bushel of canola will be 64 per cent less than that of our competitors. When you look at wheat, it would be 65 per cent less. When you look at field peas, it would be 95 per cent less.

[21:00]

When you consider what we sequester in our soils year in and year out, you know, we'd be pushing that 13 million tonnes of CO₂ being sequestered each and every year. And not to mention all the grasslands and what our ranchers do in support of those grasslands and the carbon that's sequestered in those grasslands in the province, so that the number becomes astronomical.

As far as Energy and Resources and the projects or the programs that they put forth — and you had mentioned some of those earlier on — but given how we mine and the products that we mine, you look at our critical minerals strategy, how key it is moving forward. You look at the uranium that's produced in this province and programs that support the development of that mining so critical to the global questions, the larger questions.

You look at potash. I mean, meeting that food security, yes, but when you look at our competitors and who we're competing with to provide that resource, you consider that we would be 50 per cent less emissions intense to be able to produce that out of our province. So those programs certainly support, you know, what we are doing as a province. You look at our Crown Investments Corporation. You look at SaskPower and what they're doing to make the grid make electricity generation less emissions intense.

You look at . . . There's a recent announcement. This would be also something that they've committed to, SaskPower's committed to, and it's identified in Prairie Resilience. When you look at electricity generation and having those targets at 2030 creating up to 50 per cent renewables by 2030, you look at lowering the emissions footprint of our electricity by 50 per cent by 2030.

So those are very key. And you look at the renewables that SaskPower has announced over the course of this past year — 700-odd megawatts to be added on. You look at what Trade and Export does. You look at our manufacturing sector. Yes, we produce the equipment that allows others to create products sustainably, but even how our manufacturing takes place right here in this province.

Like I said, going back I look at our oil and gas sector. You look at the reductions that they've made. The federal government set some rather ambitious targets, between 40 and 45 per cent methane reduction by the year 2025. And our oil and gas sector, you know, we're looking at 60 per cent right now. And so that's certainly a great success story, what they were able to accomplish in such a short time.

You look at Government Relations, what they're doing in relation to building codes and the consideration and some updating some building codes as it relates to efficiencies. You look at SaskBuilds and what happens in our government-owned properties. You look at our forestry sector. Certainly we have a hand in the forestry sector here as the Ministry of Environment, but also does Energy and Resources in the forestry sector.

It's a great success story, not only on an economic level when you look at northern Saskatchewan, but also on an environmental basis, just given the sustainable practices that take place, you know, each and every year. We plan for . . . And please correct me if I'm wrong, Kevin, on this one, but we replant roughly 6.8 million trees to replenish our forests in Saskatchewan. Our operators through forest management agreements, they renew the forest that they harvest 100 per cent. That's the expectation.

And so we have a great story to tell. And I've talked so long I probably even forgot your question. But no, you know, and I certainly . . . That's the approach that we've taken. It's that right across government. It's all hands on deck.

Mr. Teed: — No, that's a great answer. There's a lot of work being done across the government. Do you see a leadership role for the Ministry of the Environment on the climate file? A lot of different ministries are doing things, but where does that leadership come from within the government on the climate change file?

Hon. Mr. Skoropad: — You know, I would say that, given the fact that that is our approach, the one-government approach, right across government we very much, you know, as is indicative of the programs and the successes that I've shared here, we all take a leadership role in that. I wouldn't suggest that necessarily there's one leader in the locker room. I argue there's a whole host of leaders in the locker room.

Mr. Teed: — There's been some criticisms of this budget, especially around the environment, that the term "climate change" is only used once and it's in relation to federal government policies. And then I look to the budget document and it says:

The Ministry of Environment's role is to manage the health of the Saskatchewan environment in a responsible manner that supports sustainable growth through objective, transparent and informed decision-making and stewardship.

Following that, "environmental issues are of increased concern to Saskatchewan people." So I guess my question is, do you, Minister, or does the ministry, you know, agree that climate change is a real threat to our province that will have a significant financial impact on the province going forward?

Hon. Mr. Skoropad: — If I could just . . . clarity on that

question. So when you referenced that it was only referenced one time, the climate, I guess, where are you referring to that? What document are you referring to, or what are you referring to?

Mr. Teed: — In the preamble to the budget, the only reference to climate change is made in that climate change policies by the federal government are negatively impacting Saskatchewan's economy, which we absolutely know that federal government policies are absolutely affecting. But I think from the angle that I'm looking at — and I kind of spoke about it last week when we debated SMRs — is that there is a really important opportunity for our province to be addressing the climate crisis now over the next 10 years before things like SMRs might be a reality.

And so really I guess what I'm looking for is, is climate change a real . . . Are you seeing it as a crisis that the government needs to be addressing because it will be a financial impact, I guess, in other words?

Hon. Mr. Skoropad: — Perfect. So as I indicated before, you know, we've laid out our plan, our made-in-Saskatchewan climate change strategy in *Prairie Resilience*. So I just want to — I think you'll find this interesting — I just want to read just an excerpt from the introduction:

Today, we face the global challenge of climate change, and once again our province is motivated to develop an effective response.

Go on to speak of:

It's up to us to come up with made-in-Saskatchewan solutions that encourage action to meet the challenges posed by climate change.

When faced with a complex problem, there's a temptation to reach for a simple, quick answer. Climate change is such a problem.

And I guess that's where I would say *Prairie Resilience* is an across-government answer. But beyond that, I'll just reiterate what I said before, and I promise I won't go over the whole list of the things that we're doing. But I will say this, that once again climate change is a global conversation.

And I think the question we need to ask is part of that climate change conversation, is people need to ask, am I going to eat tomorrow? Is the world going to need more or less tomorrow? And you know, when you look at the world population, and you consider that the world is growing by approximately the size of Saskatchewan each and every week, and so the question then bears, is it going to be more people or less? Obviously I've answered that.

So if the answer is more, which we know it is, then what we need to ask is — and this is a critical question to the climate conversation — where and what products are we consuming and how are they produced? And so that's where I'll hearken back to what we do as a province and the sustainable products that we produce as a province. I see what we do as a province. We're the answer to the global conversation by supporting those industries that produce, you know, what they do produce so sustainably.

Mr. Teed: — Thank you so much. No, I really appreciate that. It really does answer my question. Maybe what I'll do is I'll move into some questions I had and some thoughts around extreme weather events that we've been seeing a lot recently.

And we know that extreme weather events are happening at much more higher scale caused by a changing climate, predicted to cost millions. So I'm wondering if there is anywhere you can point in this budget, how the ministry is accounting for these increased costs?

And I have some questions around different things like fire, tornadoes, you know, increased need for renewables, but maybe I'll start there. Is there a point in the budget where you can point to me where, you know, the ministry is looking at this and where they're investing to mitigate those climate emergencies?

[21:15]

Hon. Mr. Skoropad: — Yeah, thank you very much. So just kind of did a little bit of just a rundown of, once again, the one-government approach. So when we look at some of the . . . And I was trying to make sure, and if I didn't hit something that you had brought up as far as, you know, something you wanted me to address, please just say, hey, you forgot this one.

As far as crop and livestock insurance, obviously that falls under Ag. Wildfire and provincial disaster assistance program, that's SPSA [Saskatchewan Public Safety Agency]. When you consider renewables, obviously Crown Investments Corporation, so that would be directed to them.

As far as the *Invasive Species Framework*, that might be of particular interest to you here. I'll maybe have Kevin actually outline that particular framework to you.

Mr. Murphy: — So while not entirely a factor in terms of invasive species or zoonotic disease, we know that climate change is an exacerbating factor. And the ministry is coordinating the *Invasive Species Framework*, which includes work with in particular Agriculture but other ministries and Crowns like SaskPower, to look at a comprehensive strategy to both detect and control invasive species on our landscape and to support everyone, from individual landowners through to rural municipality governments, in being able to react to invasive species as they come in.

And in addition to that, we're looking at zoonotic disease and have a One Health committee between the ministries of Agriculture, Environment, and Health to be able to look at zoonotics. The most recent example of which I can think of is the bird flu coming through in the migratory birds, and having a capacity to link to our colleagues to be able to deal with that as it enters livestock as we deal with it potentially crossing over to human beings, and working with both the federal government and internationally with the US [United States].

That's just one example of the kinds of things where providing that coordinating role and recognizing that exacerbation by some of the climate change factors is key in terms of us being able to respond to those things.

Mr. Teed: — You know, I asked some questions at Tourism

when I was there about, we're really proud of the angling and hunting tourism that we have. And you know, so one of the concerns I had was overfishing and overhunting, but it sounds like with alongside invasive species, is there role that the Ministry of Environment plays in regulating hunting in that area?

Hon. Mr. Skoropad: — You know, I would just ask, actually, Kevin, if you wouldn't mind just speaking to generally the framework that's used, both in terms of angling and in terms of setting some of those numbers and looking at our wildlife population.

Mr. Murphy: — Certainly. So first of all, let me confirm for you that the Ministry of Environment is entirely responsible for setting the allocations for harvest of both game species and fish species for our licensed hunters. Those are people who are non-rights bearing.

That's done within an overall policy framework that recognizes conservation, so if a species is endangered or looking at its overall robust health and its ability to reproduce. Next on that is ensuring that our rights-bearing peoples have access to those resources. They're immediately after it on the tier in terms of conservation first, then rights holders.

After that, we consider the ability of our resident population to be able to access those resources. And then after that, non-residents, which is where the tourism piece comes in, whether they be outfitted or individually visiting the province and availing themselves of opportunities to angle or hunt that are made available to them.

Fisheries and wildlife are managed with management a plan. So there's a fisheries management plan that the government has and a wildlife management plan soon to be followed with a habitat management plan that will, if you will, create that third leg of a stool for us to be able to look at the entirety.

Those plans set out general expectations and guidelines, and entrench all of that policy that I spoke about. They were formed through full consultation, including with Indigenous peoples. And they speak to the process that we use to allocate the species for hunting, the process that we use to determine thresholds when a species might cross one of those boundaries and we're suggesting that we need to limit the utilization of it.

And then that sets the mechanism whereby we have a yearly process that works through a number of stakeholders, be they groups like the Saskatchewan fly fishers from a fishery perspective; FSIN [Federation of Sovereign Indigenous Nations], the Métis Nation of Saskatchewan, the Saskatchewan Wildlife Federation, all those players on our fisheries and wildlife advisory committees; input from RM [rural municipality] councils, they sought on a yearly basis — they're part of those councils; input from the Conservation Officer Service, who are on the landscape; as well as data that comes in through our general surveys with hunters and anglers.

All of that is put into, not a black box, but a bit of a blender in terms of biological information. Our staff — obviously the biologists are appointed — use that to create recommendations for our minister in terms of setting the season limits, the bag limits, or the catch limits. And that goes into the production of

our yearly guides for hunters, anglers, trappers to be able to understand what our expectations are for the licensed community.

But one of the things that is growing in terms of participation and expectation will be more engagement with Indigenous peoples, and looking at their harvest and ensuring that we're meeting those needs in a real way, both in terms of changing population, changing habitat, and exacerbating factors like climate change. We recognize that we need to be a little bit more nimble and able to actually advance some of the thinking in terms of regulating that.

The minister this year is dealing with conditions where we have had a very harsh winter, which has caused some concentration of deer populations. And those concentrations often are looking for food supplies, which means that they're getting into crops, that they're getting into stored forage. And those kinds of problems are things that we have to deal with within that framework.

And then lastly I would say groups like the Saskatchewan Commission of Professional Outfitters work with the minister on that tourist level. So outfitters receive specific licences and allocations to be able to ensure that they're harvesting within that limit framework, the expectation. So hopefully that paints a picture for you.

Mr. Teed: — Yeah. And I'm going to go to one of the aspects of the answer about treaty rights holders hunting and fishing. I appreciated that.

Are there any dollars allocated in this budget that will assist in ensuring that First Nations and Métis have access to those traditional hunting and fishing rights? I know some of the concern is the loss of Crown land and the loss of areas to have traditional hunting and fishing. So I'm wondering, is there any specific policies that your ministry is looking at to ensure that First Nations and Métis folks can continue to access lands?

Mr. Murphy: — So I think the first place I should start is with regards to the disposition of any of the Crown resource lands that the minister is responsible for. All of those are subject to the duty-to-consult. And the primary tenets of the duty-to-consult, and what we need to ensure that we have addressed either from an avoidance or a mitigation perspective, are those rights of Indigenous peoples to maintain harvest off the landscape.

So in every case where we make a disposition, we look at the permanency of that disposition, the level of impact it's going to have both from a time scale but also a spatial scale, and work with the rights holders who traditionally use those territories and have identified that they've traditionally used those territories, to ensure that we're mitigating those concerns and that we're able to address that from a strict dispositional perspective.

[21:30]

We also are involved in programs like purchase of lands with the Fish and Wildlife Development Fund, lands which are specifically set aside as habitat for wild species and which are set aside to allow hunting and angling on those lands. Those lands are generally in the south of the province, although there are some in the north of the province as well.

In addition to that we are doing work . . . While there's no specific budget allocation, salary dollars are expended from our staff to do programs like managing the Métis Nation of Saskatchewan's harvest rights negotiation that we're undertaking with them to establish harvest rights.

We also undertake a number of engagements. Examples through our funding include things like working with the Athabasca region communities to discuss wildlife management values, the very thing that we're talking about. We appropriated just last year roughly \$20,000 to that programming, and we have expectations of conducting similar work through this coming year.

Participation in the range planning process for woodland caribou management where we fund individual community members, elders, groups like that to come in. Last year alone we spent just about \$7,000 on that — \$6,710. Enabling elder participation in calving ground surveys with the Athabasca Denesuline First Nation for the Beverly and Qamanirjuaq Caribou Management Board, which is a barren-ground caribou. That was \$9,294 that we provided last year for that, and we will be continuing to participate on that co-management board, and funding similar.

I believe this month — mid-month, 16th, I think it is — there is a meeting in Yellowknife. One of our staff is going, but they're also facilitating travel for several of the representatives from the communities to go to that, so assisting — that's Black Lake and Camsell Portage — to participate in that board. Last year we spent \$8,938 to assist with their travel, and we'll probably spend something similar this year as well.

Mr. Teed: — Thank you so much.

Hon. Mr. Skoropad: — Sorry. I would just add to that as well. We've got several standing committees also that I'd just like to highlight where First Nation and Métis representation have a seat at those, on those committees. And one would be the — as Kevin alluded to earlier — the habitat advisory committee, the fisheries advisory committee, and the wildlife advisory committee. All have representation, First Nation and Métis.

Mr. Teed: — Thank you so much. Would you be able to elaborate on the duty-to-consult process that your ministry follows when, with, as it relates to Crown land sales?

Hon. Mr. Skoropad: — Yeah. So in regard to duty-to-consult, our ministry very much closely follows the policy framework that's outlined by Government Relations.

Mr. Teed: — Thank you very much. I'm just going to come back to climate mitigation as it is with fire. I know lately we seem to be having two seasons in Canada, winter and fire seasons sometimes. You know, it's been a thing in the last couple of years. Is there any . . . and I know you had mentioned SPSA. Is there anything in this budget in place to mitigate the threat of fires, both in the North and on the prairies?

Hon. Mr. Skoropad: — Yes, thank you for that question. So wildfire management, as I indicated before, wildfire management mitigation and prevention programs, that does lie with the SPSA. We certainly indicated it and outlined through Prairie Resilience, but that lies with SPSA.

Mr. Teed: — And flooding? Would that be responsibility of the Ministry of Environment or moved to . . .

Hon. Mr. Skoropad: — Yes, that . . . What you're referring to there, that's co-managed between the SPSA and WSA [Water Security Agency]. So there's some work that's done around the predicting and then the programming around, obviously, the mitigation and then the disaster assistance.

Mr. Teed: — Disaster assistance. And so disaster assistance overall, and I'm thinking maybe lastly to tornadoes. Where does that fall? Is that in the Ministry of Environment?

Hon. Mr. Skoropad: — Yes, that's also SPSA.

Mr. Teed: — SPSA, okay.

Hon. Mr. Skoropad: — Yes, that's PDAP [provincial disaster assistance program].

Mr. Teed: — I'm going to move to . . . I guess one question I had is, what is the ministry's role in assisting farmers in adjusting, you know, to things like sustainable agriculture due to climate change or becoming more resilient as we see a changing climate in Saskatchewan and just weather events? Does the ministry play a role in that?

Hon. Mr. Skoropad: — Yeah, so, you know, while agriculture — as I indicated in, you know, at length earlier on — certainly engages in numerous practices that would be, you know, be supporting sustainability and the good work that we do in our province, we have no . . . As far as Ministry of Environment, there's no regulatory function or oversight on agriculture per se. That would be Ministry of Agriculture that would work through, you know, programming and the such.

Mr. Teed: — Thank you. I'm going to dive into some questions that I probably kind of already know the answer to, but as you've mentioned before. But I'm looking at clean water. Would that . . . is like clean water, ensuring access to clean water, is that something under the ministry?

Hon. Mr. Skoropad: — So as far as water quality goes, yeah, you know, and I think you said, oh, I already know the answer. Probably you were suspecting I was going to say WSA, and yeah, you know, Water Security Agency certainly would be the lead in regard to water quality.

But we do have a role though. Our ministry does have a role as far as the development of projects, and as projects, you know, put proposals forth to ensure that, you know, water quality is protected in the, you know, in the nature of those developments. And that's done through our environmental assessment permitting that takes place.

Mr. Teed: — And so I guess maybe I'll quickly . . . Environmental assessments. So when your ministry would be kind of responsible for like mineral exploration, oil and gas, and the environmental impact. Is that maybe a true statement, more so?

Hon. Mr. Skoropad: — Yeah, you know, so we have a robust process in place to certainly address developments, you know,

and proposals that are made in the province. And it's certainly critical that it's in place as such. You know, what I'll do is I'll maybe ask Wes, if you wouldn't mind, maybe if you could just outline the process, our environmental assessment process and safeguards that are in place.

Mr. Kotyk: — Sure. Wes Kotyk. I'm the assistant deputy minister for our environmental protection division. So regarding developments that move to considering if they're going to set up in the province, what we do through our environmental assessment process, you know, they would apply to us and identify what they're planning to do.

[21:45]

And in a project proposal, we would work with them to identify, you know, what are the potential impacts that their project will have on the environment, and what are they going to do to mitigate those effects?

So with our environmental assessment process, when we receive that proposal, we will circulate it to our review panel which consists of experts across government — different ministries depending if it's, you know, a soil specialist or groundwater. Anything for subsurface work would be Energy and Resources. And then housed within our own ministry we have experts on . . . you know, biologists and fisheries as well as scientists who would look at the different components of, say, setting up a mine or an industrial process.

And through that there is also . . . We look to see if the duty-to-consult would be triggered. It would be dependent on, you know, where is the site being located? Are there potential impacts to treaty or traditional rights? We would ensure that that is involved.

And there's also a public review component. So once the ministry is satisfied through our technical review process that the project has merit and we think that there's merit in it moving forward, we would move it to a public review process. And so that may happen in parallel with duty-to-consult if there are Indigenous communities that are involved, and then any general public, anybody could comment as well.

And once that's all compiled, we will then look at all of the . . . if there are any concerns or if there's anything missing, and determine whether or not we would recommend to the minister whether to approve the project. And quite often there will be a number of commitments or permit conditions that we would consider need to be included in their operation before we would suggest that it be recommended for approval.

And then at that point it then moves to our permitting process where we have staff in our environmental protection branch who develop the permits in collaboration with the proponents. And then we do compliance work to monitor that they're adhering to any of the conditions that are imposed in the permits, as well as any of the regulations or legislation that applies to that operation.

Mr. Teed: — Do you ever see projects rejected, or are they then able to return for . . . Like if you, say, give some reasons why, are they able to come back and clear those reasons up with the ministry and move forward? Have there been projects, anything lately that you've seen that hasn't been moving forward?

Mr. Kotyk: — All right, thank you for that question. So with our process, we feel it's quite a robust process. And during the environmental assessment period, there are a couple of areas where there may be iterations, so we would review. If we find significant deficiencies or if there's significant public concerns, we would identify those to the proponent.

But then we send them back, those comments back to the proponent, and give them the opportunity to identify, okay, how are you going to address these concerns we've identified or that these concerns that were maybe raised by an Indigenous community or the public?

And then they can resubmit to us, and sometimes it goes a few times. So it depends on the project. And every iteration we may find less and less concerns, and then it's up to the company if they, how they want to address that and recommend how they're going to meet those requirements. But we do have certain standards, you know. We won't go below those. So we need to ensure that the companies understand that. And we'll work with them to help them achieve that, those that are willing to do so.

Mr. Teed: — Thank you so much. That answers my question for sure.

I just had a few more questions, so I think I have a few more minutes here. I wanted to jump back to the ministry's role in supporting energy transition to wind and solar, and if there's any dollars allocated in this budget or, again, if that moves off to SaskPower and SaskEnergy.

Hon. Mr. Skoropad: — Yeah, you have that correct. That would fall directly under CIC. Right.

Mr. Teed: — And I'm imagining, similar situation with supporting a transition to geothermal energy? Or maybe is there any role that the ministry plays in approving projects that would be looking to build facilities?

Mr. Kotyk: — Thanks for the question. So for geothermal specifically, typically so far all of the projects that have been identified, they haven't been on Crown land so there's no surface lease requirements for us. And also the main . . . there are no, you know, standard environmental concerns. So typically the concern there, or the permitting authority would be Energy and Resources because it's mostly subsurface work that is entailed with geothermal.

Regarding other energy transitions — so things like wind power, solar power — we have seen those projects. Those would typically, depending on the size, would come through for review to determine whether they're a development or not. So some of the wind projects have become developments, and so they would go through the formal environmental assessment process.

Typically I think, if I recall, none of the solar . . . one of the solar projects has also met the development criteria, but it's because of capacity. So typically the smaller ones wouldn't, and depending on the location, if it's private land or, you know, remote, they wouldn't be considered developments.

Mr. Teed: — What does the development criteria lean to?

Mr. Kotyk: — All right. So there's six criteria in our environmental assessment Act that determine whether or not a project would be considered a development or not.

So one of them is widespread public concern; significant use of a natural resource to prevent it from being used by others; a new technology, so depending on what the technology is; if there are activities being proposed that aren't already covered in another regulation. Those are four of the six. And I think I mentioned widespread public concern. Yeah, if there is widespread public concern. And I'll have to follow up, or Brady might . . .

Hon. Mr. Skoropad: — Yeah, you know what, and I'd be happy to follow up with those six. I feel bad. I put Wes on the spot here.

Mr. Teed: — Apologize.

Hon. Mr. Skoropad: — Yeah, he got a passing grade. But I can certainly follow up with those, yeah.

Mr. Teed: — He has more than 50 per cent. I appreciate . . . No, it just helps me understand. I am, you know, again here as in filling in for the Environment critic, so it just helps.

I think I have a few more minutes here so I had one question that I wanted to ask, and it was maybe back to hunting. And it was around if the ministry has any consideration being given to open up over-the-counter versus lottery draws for antlered mule deer tags, given that there has been anecdotal kind of reports of increased mule deer populations?

Hon. Mr. Skoropad: — Yeah, I'm just, you know . . . I'm just going to turn to Kevin once again just to talk about that. Certainly he has got a wealth of expertise in this field.

Mr. Murphy: — Thank you, sir. So first to start off, some sense of how we use the draw mechanism. Effectively when we look at any game population, we look at whether or not it's meeting our base criteria, whether it's exceeding that and there's opportunities for extra hunts, and then whether it's below that threshold and we actually need to reduce the number of tags.

We use the draw typically as a way of allowing people in that once it's exceeded that base level and we're creating extra opportunity. Draw, generally, is for either populations that are smaller but more desirable to access, so if you think of moose in the south of the province or elk around Moose Mountain, where they're easier to access than going into the more difficult terrain around Fort-à-la-Corne, things like that. So draw opportunities are very much a lottery that rewards the hunter with that easier, sometimes more specialty hunt. Antelope I think is the finest example of that, where there's not very many available.

In the circumstance of mule deer, mule deer in general across the province aren't exceeding that population threshold; however we do want to use the draw and will be using the draw in a different way with mule deer. Mule deer have a very high percentage now, the highest of any of our ungulates, of chronic wasting disease. And there's a higher endemism of that in the Southwest.

[22:00]

If you think of sort of an area that would be perhaps roughly

equivalent to the Palliser Triangle in Saskatchewan, higher levels of disease there, lower populations, so we want to shift the hunting pressure to the periphery of that zone, almost a ring or a doughnut, a fence around that high-endemism area, and increase the pressure. And one of the only mechanisms we have to change pressure through the zones is the draw.

Over-the-counter tags typically, unless we set it up that you have to go to a local community to get them, they're not guaranteed by zone. They're just an overall availability. So we use the draw but we have higher quotas for the mule deer in specific zones. So it's one of the reasons you see us continuing to use the draw even though it's really not the same threshold that we would normally apply by policy. That's the reason for that with the mule deer populations.

Mr. Teed: — Thank you so much.

The Chair: — Having reached our agreed-upon time and seeing there are no more questions, we will proceed to vote on the estimates for the Ministry of Environment. But before we begin the voting process, Minister, if you have any closing remarks you'd like to make.

Hon. Mr. Skoropad: — My only closing remark: I would just like to, you know, thank the member for the questions, certainly respectful questions. I'd like to thank the committee for sitting here into the wee, the late hours. I would certainly like to thank staff. Hansard, sorry. I'm hard to predict if my mike should be on or not, so thank you for your work there. I'd certainly also like to thank my officials. I'm blessed to work with an incredibly talented crew of people, and so I just want to thank them. Thank you.

The Chair: — Do you have any comments you'd like to make?

Mr. Teed: — Thank you so much. You know, I just want to echo those thank yous. Thank you for allowing me to pinch-hit tonight on Ministry of the Environment estimates. I hope I made my colleague proud tonight. Thank you, Minister, for the answers. Thank you so much to your officials for coming out tonight. I certainly learned a lot. And I just want to thank the committee and the Chair tonight. Staff, Hansard, thank you so much for being here into, as you said, the wee hours of the night it feels like. Thanks.

The Chair: — All right. Thank you. We will move to vote on the estimates for the Ministry of Environment. Vote 26, Environment, page 45. Central management and services, subvote (EN01) in the amount of 14,287,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Climate resilience, subvote (EN06) in the amount of 4,964,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Fish, wildlife and lands, subvote (EN07) in the amount of 17,449,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Forest service, subvote (EN09) in the amount of 8,331,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Environmental protection, subvote (EN11) in the amount of 52,367,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 870,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Environment, vote 26 — 97,398,000. I will now ask a member to move the following resolution:

Resolved that there be granted to His Majesty for the 12 months ending March 31st, 2024, the following sums for Environment in the amount of 97,398,000.

Mr. Francis so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. We also have the duty of voting off the Economy estimates this evening. Does the committee agree with voting off the remainder of the estimates?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister, you and your officials are welcome to leave at this point in time. I don't think you have to stay for the next six pages.

**General Revenue Fund
Agriculture
Vote 1**

The Chair: — We will begin with Vote 1, Agriculture, page 29. Central management and services, subvote (AG01) in the amount of 13,414,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Industry assistance, subvote (AG03) in the amount of 4,451,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Land management, subvote (AG04) in the amount of 5,714,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Policy, trade and value-added, subvote (AG05) in the amount of 6,032,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Research and technology, subvote (AG06) in the amount of 38,178,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Regional services, subvote (AG07) in the amount of 33,741,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Programs, subvote (AG09) in the amount of 36,634,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Business risk management, subvote (AG10) in the amount of 408,033,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 2,283,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Agriculture, vote 1 — 546,197,000. I will now ask a member to move the following resolution:

Resolved that there be granted to His Majesty for the 12 months ending March 31st, 2024, the following sums for Agriculture in the amount of 546,197,000.

Ms. Ross has moved. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Highways
Vote 16**

The Chair: — Vote 16, Highways, page 73. Central management and services, subvote (HI01) in the amount of 17,305,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Preservation of transportation system, subvote (HI04) in the amount of 127,554,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Transportation planning and policy, subvote (HI06) in the amount of 3,968,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Infrastructure and equipment capital, subvote (HI08) in the amount of 422,291,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Custom work activity, subvote (HI09) in the amount of zero dollars, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Operation of transportation system, subvote (HI10) in the amount of 178,383,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Strategic municipal infrastructure, subvote (HI15) in the amount of 26,497,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 270,996,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Highways vote 16 — 775,998,000. I will now ask a member to move the following resolution:

Resolved that there be granted to His Majesty for the 12 months ending March 31st, 2024, the following sums for Highways in the amount of 775,998,000.

Mr. Domotor: — I'll move.

The Chair: — Mr. Domotor so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Immigration and Career Training
Vote 89**

The Chair: — Vote 89, Immigration and Career Training, page 79. Central management and services, subvote (IC01) in the amount of 15,685,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Immigration, employment and career development, subvote (IC02) in the amount of 12,315,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Training and employer services, subvote (IC03) in the amount of 5,141,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Labour market programs, subvote (IC04) in the amount of 130,922,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 1,620,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Immigration and Career Training, vote 89 — 162,063,000. I will now ask a member to move the following resolution:

Resolved that there be granted to His Majesty for the 12 months ending March 31st, 2024, the following sums for Immigration and Career Training in the amount of 164,063,000.

Mr. Kirsch so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Innovation Saskatchewan
Vote 84**

The Chair: — Vote 84, Innovation Saskatchewan, page 83. Innovation Saskatchewan, subvote (IS01) in the amount of \$28,727,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Innovation Saskatchewan, vote 84 — \$28,727,000. I will now ask a member to move the following resolution:

Resolved that there be granted to His Majesty for the 12 months ending March 31st, 2024, the following sums for Innovation Saskatchewan in the amount of 28,727,000.

Mr. Cheveldayoff so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Saskatchewan Research Council
Vote 35**

The Chair: — Vote 35, Saskatchewan Research Council, page 105. Saskatchewan Research Council, subvote (SR01) in the amount of 40,408,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Saskatchewan Research Council, vote 35 — 40,408,000. I will now ask a member to move the following resolution:

Resolved that there be granted to His Majesty for the 12 months ending March 31st, 2024, the following sums for Saskatchewan Research Council in the amount of 40,408,000.

Mr. Domotor so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Trade and Export Development
Vote 90**

[22:15]

The Chair: — Vote 90, Trade and Export Development, page 121. Central management and services, subvote (TE01) in the amount of 8,717,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Strategic policy and competitiveness, subvote (TE02) in the amount of 2,529,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Economic development, subvote (TE03) in the amount of 9,920,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. International engagement, subvote (TE04) in the amount of 19,271,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 96,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Trade and Export Development, vote 90 — 40,437,000. I will now ask a member to move the following resolution:

Resolved that there be granted to His Majesty for the 12 months ending March 31st, 2024, the following sums for Trade and Export Development in the amount of 40,437,000.

Ms. Ross so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Water Security Agency
Vote 87**

The Chair: — Vote 87, Water Security Agency, page 125. Water Security Agency, subvote (WS01) in the amount of 103,030,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Water Security Agency, vote 87 — 103,030,000. I will now ask a member to move the following resolution:

Resolved that there be granted to His Majesty for the 12 months ending March 31st, 2024, the following sums for Water Security Agency in the amount of 103,030,000.

Mr. Francis so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Committee members, you have before you a draft of the fifth report of the Standing Committee on the Economy. We require a member to move the following motion:

That the fifth report of the Standing Committee on the Economy be adopted and presented to the Assembly.

Mr. Francis so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. That concludes our business for tonight. I would ask a member to move a motion of adjournment. Mr. Kirsch so moved. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned until the call of the Chair. Thank you, everyone.

[The committee adjourned at 22:16.]