

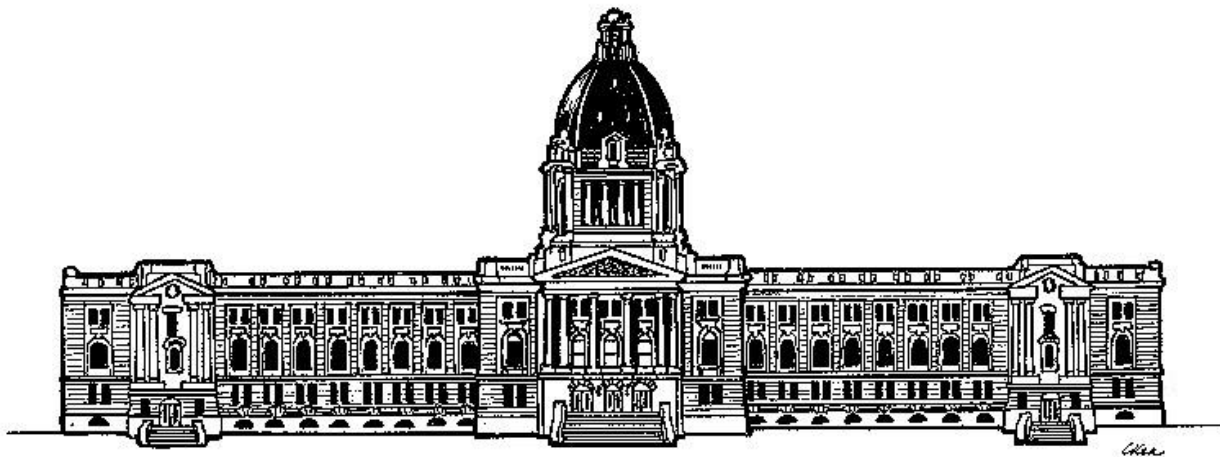


STANDING COMMITTEE ON THE ECONOMY

Hansard Verbatim Report

No. 32 — April 17, 2024

**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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Mr. Doug Steele
Cypress Hills

Ms. Aleana Young
Regina University

[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'll be chairing the meeting this afternoon. We have members sitting in, Jared Clarke for Jennifer Bowes; and we have members Ken Francis, Delbert Kirsch; and we have Daryl Harrison sitting in for Greg Ottenbreit; and Doug Steele; and we have Aleana Young here as well.

Today the committee will be considering the estimates for the Ministry of Energy and Resources and the Ministry of Environment. We will take an hour recess at 5:30.

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

Subvote (ER01)

The Chair: — And at this point in time we will first consider the estimates and supplementary estimates no. 2 for the Ministry of Energy and Resources. We will begin with consideration of vote 23, Energy and Resources, central management and services, subvote (ER01).

Minister Reiter is here with his officials. And the first time officials speak at the mike, to mention their names and their positions. Minister, you can begin with your introductions and your opening remarks.

Hon. Mr. Reiter: — Thanks, Madam Chair. Pleased to be here to discuss the '24-25 budget. Officials that I have with me: I have our deputy minister, Blair Wagar; I also have my acting chief of staff here, Jeremy Brick; assistant deputy ministers Cory Hughes and Sharla Hordenchuk; we have acting assistant deputy minister, Janice Loseth; we have executive director of revenue and financial services, Kim Olyowsky; executive director of energy policy, Eric Warren; and executive director of field services, Jane McLeod.

Madam Chair, before I go on to the opening comments, I just want to add something in the introductions. One of the folks I just introduced, our acting ADM [assistant deputy minister] Janice Loseth is, I understand, going to be retiring soon, and this is after 41 years of service, all with this ministry. So I just want to acknowledge that and thank Janice for all her great work that she's done on behalf of people of Saskatchewan.

And with that, Madam Chair, the Ministry of Energy and Resources '24-25 budget supports Saskatchewan's world-class natural resource industries through strategic investments in geoscience, oil and gas, and critical minerals. Our \$53.7 million budget, an increase of 0.9 per cent from last year, positions Saskatchewan to continue to provide essential resources around the world.

In the last several years our resource sector has looked to diversify into areas like lithium, copper, zinc, helium, and an array of other critical minerals along with increased production for potash and uranium. Saskatchewan is Canada's leader in critical mineral production and potential. We have occurrences

of 23 out of 31 critical minerals. In March of '23 our government released *Securing the Future: Saskatchewan's Critical Minerals Strategy*. The four goals of the strategy will help guide critical mineral development in the province and support our government's 2030 growth plan goals.

In our first year of following the strategy's rollout, we've made significant progress in all key areas of the plan. Saskatchewan is estimated to have received over 10 per cent of Canada's exploration dollars for 2023 which is a strong gain from the 8 per cent the previous year, and puts the province on its way to reaching the goal of 15 per cent of national exploration spending by 2030.

To continue to drive the goals outlined in the strategy, this year's budget includes two new critical minerals incentives that will accelerate development in 10 emerging commodities to grow and diversify Saskatchewan's position as a global leader in critical minerals extraction and processing.

Through a 25 per cent transferable royalty and freehold production tax credit, the Saskatchewan critical minerals innovation incentive will support companies in advancing innovation commercialization projects for emerging critical minerals in the province. This incentive will support advancements in the extraction and processing of helium, lithium, rare earth elements, copper, zinc, magnesium, nickel, gallium, aluminum, and cobalt.

The critical minerals processing investment incentive will also offer a 15 per cent transferable royalty and freehold production tax credit to support the development of value-added processing facilities for these same 10 emerging critical minerals in Saskatchewan. Together these two programs are expected to accelerate progress towards the Saskatchewan critical minerals strategy goals of doubling the number of critical minerals produced and establishing our province as a rare earth element hub.

Additionally this year's budget includes 10 million in funding over 10 years for public geoscience initiatives on critical minerals. This investment will result in new geoscience information that will help explorers identify new critical minerals opportunities in the province. This will support the critical minerals strategy goals of increasing Saskatchewan's share of Canadian mineral exploration spending and eventually growing our production of established critical minerals. These new programs and initiatives will be instrumental for continuing to advance the province's critical minerals sector and increase the share of critical mineral exploration spending to 15 per cent by the year 2030.

This year's budget is also making it easier for energy firms to benefit from the latest drilling technology. Our new multilateral well program creates a competitive royalty regime for the drilling of multilateral wells in Saskatchewan. The program has already attracted a lot of interest from industry and is expected to increase investment and drilling, put more people on rigs to work in the field, and drive incremental oil production. The program will further support our progress towards our growth plan goal of 600,000 barrels of oil production per day by 2030.

In addition to this new program, two existing and successful oil and gas investment programs are being renewed. Project applications under the oil and gas processing investment incentive, or OGPII, and the petroleum innovation investment incentive, or SPII [Saskatchewan petroleum innovation incentive], have been extended by five years.

These programs which follow private sector investment will continue to support value-added processing and innovation projects in Saskatchewan's oil and gas sector. To date, these two incentives have generated \$292 million worth of private investments in 17 different projects since 2019.

All of these revenue initiatives seek to increase investment and also taxes and royalties paid to the province. This will help provide a foundation for a strong resource sector and a strong economy that will allow us to make investments into classrooms, care, and communities across Saskatchewan.

At the same time, the Ministry of Energy and Resources continues to focus on regulatory excellence to maintain a reliable and competitive business environment. As the primary regulator, the ministry takes its role very seriously, a regulatory role that is built upon the principles of integrity, competency, and transparency. Over the coming year, work will continue to ensure a compliance management framework that is clear and consistent. This will include modernizing field inspections and incident reporting.

Our suite of programs and strong regulatory environment has led to a Saskatchewan success story around emissions as well. As of 2023 industry has reduced reported greenhouse gas emissions from upstream oil facility venting and flaring by 64 per cent below 2015 levels, exceeding the 45 per cent target mandated by the province by 2025. This includes a 70 per cent reduction in methane emissions overall. We've also focused on supporting technologies to further reduce emissions in the oil and gas sector and across the economy.

Saskatchewan is a global leader in carbon dioxide utilization for enhanced oil recovery, also known as EOR, which is among the lowest emissions oil production in the world. Over the past 25 years Saskatchewan's CO₂ EOR projects have sequestered more than 40 megatonnes of CO₂.

Saskatchewan is fortunate to have abundant reserves and opportunities in our traditional and emerging commodity spaces. And I'll take just a moment to list and highlight a few.

Saskatchewan is quickly becoming a significant producer of helium. From '22 to '23 the number of producing helium wells in Saskatchewan grew by 50 per cent, which included a 35 per cent growth in production volumes. Our helium action plan released in November of '21 outlines how the province aims to become a world leader in helium production and export over the next decade with a goal to supply 10 per cent of the global helium market by 2030. We're now producing volumes that could soon support construction of a liquefaction facility which will significantly increase our ability to export helium globally.

Lithium presents another emerging opportunity with significant potential. We have three exciting projects with defined brine lithium resources. Arizona Lithium is one such project currently

operating a direct lithium extraction pilot plant in Saskatchewan that is showing promising results as they fast-track towards a commercial scale project. The emergence of the helium and lithium industries in the province are two fantastic examples of how we're rising to the challenge of becoming a critical mineral powerhouse.

On uranium with prices at a 16-year high, '23 was a strong year for Saskatchewan uranium production, almost a 50 per cent increase from 2022. Northern Saskatchewan has the largest high-grade uranium deposits in the world and we're the second-largest global producer and exporter of this mineral. That is crucial for powering a low-carbon future. As our global partners look for reliable low-emissions baseload power, demand for uranium is on the rise and Saskatchewan is ready to meet that challenge. The economic benefit of the uranium industry to Saskatchewan is huge. It helps support over 2,000 jobs with particularly high participation from our northern residents in Indigenous communities.

And of course, Saskatchewan potash continues to play an important role in our economy. For example, BHP made further commitments to its Jansen potash project approving an investment of 6.4 billion for the construction of Jansen Stage 2 to follow up on the 12.4 billion that had previously been confirmed for the future mine.

And finally in the forestry sector, after coming off a year with 1.2 billion in sales, we're moving ahead with our growth plan goal to double the size of the forestry sector by 2030.

In closing, this year's budget and our ministry's focus is to continue strengthening our already robust energy sector and provide a strong economy for a strong future in Saskatchewan. And it's through that strong economy that our government can make the necessary investments in our classrooms, care, and communities going forward.

And with that, Madam Chair, we'd be happy to take any questions.

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

Ms. A. Young: — Thank you. Thank you very much, Madam Chair. Thank you, Minister, for those opening comments. And my thanks to all your officials for being here tonight as well as the many people behind the scenes who work to do all the preparation for the budgetary process, for estimates, and well as for the steady day-to-day functioning of such an important ministry here in the province of Saskatchewan.

And I'd also like to extend my congratulations on a remarkable career and very well-earned retirement — 41 years is just an astonishing tenure of service and loyalty and commitment to a sector, even one as thrilling as this. So I hope you have a stupendous, calm, travel-filled, invigorating, and restful retirement.

With that, I'd like to begin with a suite of questions about the remediation of contaminated sites. And of course, any of these questions, Minister, if your officials do have the information

available but not readily available, if it is possible to receive it at a later date, that would be great. And I will look to you and your officials to indicate as such.

Are you able to list for me each of the contaminated sites that your department has booked liability for and the amount of liability site by site?

[15:45]

Hon. Mr. Reiter: — So officials tell me there is two particular ones. There's Gunnar and there's Lorado. Gunnar has 35 satellite sites with it, and the booked liability is just over 368 million. Lorado, the booked liability is just over 34 million.

Ms. A. Young: — Thank you, Minister. And just to be clear, those are the only two sites that your ministry has booked liability for?

Hon. Mr. Reiter: — Yes.

Ms. A. Young: — Thank you. And is that the total liability, those two numbers put together — which I'm not going to do on the spot — the total liability for contaminated sites?

Hon. Mr. Reiter: — That's the total liability that the Ministry of Energy and Resources is liable for.

Ms. A. Young: — Thank you. Has the liability on either of those sites changed in the past two years?

Hon. Mr. Reiter: — To your question, those amounts, they have changed. There's a number of reasons for those, and in just a minute I'm going to get Cory to just walk through those for you. Just as an example, inflationary pressures; it's a multi-year project, so costs at times increase. So I'll just get Cory to walk through the reasons for the changes.

Mr. Hughes: — Cory Hughes, for the record. So for Gunnar we did take out a special warrant in the previous fiscal year of just \$91.5 million. And that is because the cost estimate did increase, and there was some clear reasons why. We experienced high water levels on Lake Athabasca for several years, which required us to delay some of the work that was planned.

COVID also had some impacts. There was some planned work during COVID that we couldn't do, so the project did get delayed for those two reasons. Of course during that time inflation was also very significant the last couple of years, so it did add to the cost.

And then the fourth reason at Gunnar was we now have a better understanding of the required monitoring and maintenance. The site will be fully remediated. It will then go through a period until the Canadian Nuclear Safety Commission and our Ministry of Environment identify it as stable, which it can then go into our institutional control program so we just have a better idea of what monitoring and maintenance will be required during that phase, which could be up to 15 years. So we've now been able to cost that into the liability.

And in the case of Lorado, a similar story. Lorado has been fully remediated for several years now and is a great success story for

the province. But we did take out a special warrant to ensure that we had enough money for the monitoring and maintenance phase prior to the institutional control program.

Ms. A. Young: — Thank you very much. Are you able to identify, in terms of dollars, how much that liability has changed, like what the figure is for the change in liability for each of those two sites?

Mr. Hughes: — Yeah, for Gunnar and the satellite sites the liability increased by \$91.5 million over the original liability which was established in 2013-14. For Lorado it increased \$3 million.

Ms. A. Young: — Thank you. Can you confirm or remind me, like to date how much has been spent on remediating uranium sites in northern Sask, and then also how much of that is provincial dollars versus how much is federal?

Hon. Mr. Reiter: — So for Gunnar and the 35 satellites combined, costs paid to date are \$260.82 million. Out of that, the federal government has paid 1.13 million. So you can see it's a fraction of 1 per cent, right. It's very, very little. On Lorado, there is no federal financial commitment to that. There's been 31.393 million paid so far to date. Out of that, 8.06 million is provincial; 23.333 million is by third party.

Ms. A. Young: — Thanks. So along those lines, what's the status of the lawsuit that your ministry filed against the federal government with respect to federal cost sharing for the remediation work there?

Hon. Mr. Reiter: — So of course the Ministry of Justice is the lead on the actual court action and the statement of claim has been filed. I understand the statement of claim has recently been updated in the courts to reflect the increased costs. Beyond that, you know, as I said, Justice is the lead on that and it's walking through the court process.

Ms. A. Young: — So I'm not a lawyer, so I may be incorrect. So please, please correct me if I am mistaken, but my recollection is that it's been effectively in abeyance for the past five years or so.

And I hear what you're saying about the Ministry of Justice, but are you able to indicate whether the Ministry of Energy and Resources or the Government of Saskatchewan is planning on pursuing this?

Hon. Mr. Reiter: — Oh, it's being pursued. Yes.

Ms. A. Young: — Actively?

Hon. Mr. Reiter: — Yes.

Ms. A. Young: — Okay.

Hon. Mr. Reiter: — Yeah, that's why, if I could, that's why I mentioned the statement of claim was just updated to reflect the new costs with the courts.

Ms. A. Young: — Okay. Maybe just to circle back, just to make sure I understand. The remediation liability for these sites, it increased so much in '23-24 because of essentially what Mr.

Hughes explained in terms of, like the increased costs obviously with inflationary pressures, the delay from COVID, as well as the increased measurement, monitoring, and verification costs. Is that a fair statement?

I guess looking at the 2023-2024 budget, of course it did not include an increase for the remediation liability which then led to the special warrant. So unless I'm mistaken, in the 2024-2025 budget the liability appears to remain unchanged. Is that because the ninety-one and a half million dollars is the total cost for all ongoing work and monitoring?

[16:00]

Mr. Wagar: — Blair Wagar, deputy minister. So the way the booking came, in terms of the cost increases were learned during last fiscal year, partway through the year, which is why we used the special warrant. Otherwise we would have seen the booking of that in the budget last year. Once it gets booked as a liability, it doesn't need to show up in this year's budget. It gets recorded in the overall budget, but it doesn't have to show up in the '24-25 budget again. So there's no incremental increases to the total liability for Gunnar or Lorado that's showing up in the current fiscal year. All of that was booked in the last fiscal year.

Ms. A. Young: — Okay, thank you for that. I really appreciate the clarification. Is there a risk that the future liability will increase or, you know, the contamination at the sites will spread further?

Mr. Wagar: — So thanks for the question. It's a good one. What I would say is the project has been multi-year and we're quite far along. A lot of the sites have already been remediated or close to being. There's a few left. So if you think of a multi-year construction project, the risk of increases at the very beginning are much higher than they are at the end. We're much closer to the end of this, so we're much more comfortable that we won't see additional increases.

But that risk is there. It's a project that's in the far North. Being able to mobilize for a construction project, earth-moving project that's like this are always at some risk. If we find more delays, weather delays, things like that. I know this year we had some challenges with the project in terms of ice roads not being available when we needed, so it causes some delays.

So right now we're comfortable that we've estimated the total cost of the project, but there is still risk depending on how season, weather, this construction season goes that we could face some additional increases.

Ms. A. Young: — Thank you for that. Do you associate a dollar figure with that risk either for . . . I appreciate what you've said in terms of the shrinking nature of that risk as the project continues, but do you have a value for that? Also, you know, if the timeline extends, if there's a dollar value associated with the environmental risk and impact as well.

Mr. Wagar: — So yeah, the number that we've built in right now — again as I described we're getting close to the end of this project — we feel like we've built in a contingency to be able to cover that. So if we see some of those uncertainties that we've been able to predict, we've been able to build that in and have

experience in the past.

You know, the only time you start to deal with something outside of that is if something unusual pops up, right, that you couldn't plan or predict. But with the experience we have with the project so far, the amount of contingency that we've built in, we're pretty comfortable that we've got that covered.

Ms. A. Young: — High severity, low likelihood.

Mr. Wagar: — Yeah.

Ms. A. Young: — Okay.

Mr. Wagar: — And as we get closer to the end of the project, all of those uncertainties start to go down.

Ms. A. Young: — Thank you. I'd like to move on and ask a few questions about the exploration incentives for Saskatchewan's critical minerals strategy. So I understand the ministry has committed \$10 million for the next 10 years for critical mineral exploration and production.

Can you help me understand how you intend to use that \$10 million? Like is it through tender calls or exploration subsidies? I'm just looking for more details.

Hon. Mr. Reiter: — So if I could, just to clarify — and I might have misunderstood the question — the 10 million over the 10 years, that's not sort of the whole gamut. There's a number of other incentives as well. That 10 million over the 10 years is specific to a geoscience initiative, so that'll target things like sampling programs, airborne surveys, that sort of thing to make sure that exploration companies have the best geophysical data that they possibly can, right, so they can narrow down where they want to do their work, that sort of thing. And then of course that's to work towards the goal of getting critical minerals exploration up to 15 per cent.

Ms. A. Young: — Okay. So then I guess looking more broadly at the critical minerals strategy — and sorry if I just missed it in your comments, Minister; the hamster in my brain was spinning — is there going to be like tender calls or exploration subsidies? Are there going to be multi-year commitments to like specific corporate exploration programs?

Mr. Hughes: — So of the \$10 million there will be internal . . . Our Saskatchewan geological survey will use some of that money for the planning process to support field camps to help identify — and we're also working with industry — to help identify where the high-priority areas where we'd want to do the airborne. And then the airborne studies or surveys themselves would be tendered out and in control of the province, so there would be no . . . It wouldn't be done by the exploration industry; it would be done by the province in consultation with the industry.

Ms. A. Young: — So essentially money going to fund the existing like public servants and geologists and stuff, doing this work, just further expanding this to focus on critical minerals, rare earth . . .

Mr. Hughes: — Correct.

Ms. A. Young: — Okay.

Mr. Hughes: — Although the majority of that money would be tendered out for the actual airborne surveys, yes.

Ms. A. Young: — Okay. Great. Thank you. Does the ministry or the geological survey keep . . . Because I'm curious how many of the rare earth minerals have been found in Saskatchewan to date. Is there a list or a map of where they're found in the province? And just to be clear, just in, you know, commercially or scientifically relevant quantities.

Hon. Mr. Reiter: — So Cory's going to kind of walk through the answer to your question, but I just wanted to clarify first because we were disagreeing on this. Did you want to know what those 17 rare earth elements are?

Ms. A. Young: — No, I have a list. In fact I'm sitting here googling what is terbium used for so yeah.

Hon. Mr. Reiter: — That's too bad because I really wanted Cory to have to pronounce those and read them into the list. But I'll get Cory to answer your question.

Ms. A. Young: — If we finish up early here, I'll come back to this question.

Mr. Hughes: — Yeah, so the majority of rare earth deposits do contain a portion of all 17 rare earths. So we have two rare earth-specific projects in the far North and work being done associated with the uranium deposits in the Athabasca Basin. So there's a lot of work and analysis being done on what those are.

To date, we have not identified a commercial opportunity, but I'd say that work is fairly preliminary, and we're obviously hopeful in that, you know, we're going to use our geoscience funding on different things to help industry identify those deposits.

Ms. A. Young: — Thank you. So having heard the answer, do you have a number of how many companies are currently exploring in the province for rare earth minerals presently? Are there any?

[16:15]

Hon. Mr. Reiter: — So officials are telling me when a mineral disposition is issued, it's not specific to certain minerals. They have the right in that case to sort of explore for all of them. So there's a lot of exploration companies working right now, so we wouldn't necessarily know which ones are rare earth and which ones potentially would be others.

Ms. A. Young: — Okay, interesting.

Hon. Mr. Reiter: — I'm sorry. I should have just mentioned — Cory just had told me — our folks though, ministry's folks know. They do know, I think from probably just discussions with companies, that there's at least four.

Ms. A. Young: — Okay, at least four. Thanks. So then how does the ministry . . . You know, obviously this is an emerging, evolving opportunity for jurisdictions around the world, in particular for Saskatchewan, and something that we hear the

government talk a lot about. Sounds like a great idea. How will the ministry be able to evaluate or plan for further incentives around rare earth minerals just with the nature of what you've said about how exploration currently works?

Mr. Hughes: — We do a lot of work. We have, you know, experts on rare earths within the geological survey, so we have field programs in areas where we know of rare earths discoveries or we've identified of high rare earth potential. So we're using that and geoscience to help identify further potential targets for industry so they can target rare earths specifically.

Ms. A. Young: — Thank you. And forgive me; I think this will be my last question on this. Is there any obligation for industry or the companies that are doing that exploration to then disclose back to either the survey or to the ministry to, like, just help further and expedite that exploration and development?

Mr. Hughes: — Ultimately the results of exploration programs are the property of the Crown, so there is a requirement to provide that data to the ministry. But there is a three-year confidentiality period that the companies don't have to publicly release that data, you know, for obvious reasons, so they can continue their program.

Ms. A. Young: — Great. Thank you very much. Just a couple questions about oil and gas exclusion zones. I'll start with my most controversial question at the start. Is it possible to get a map of the exclusion zones in the province? Is that like publicly available? Can I get my hands on one of those?

Mr. Hughes: — There are areas of the province that have restrictions. I mean there's the protected areas. That, you know, might be a better question for Environment on the ecological side, our national parks that have restrictions on drilling.

For ER [Energy and Resources] we do have the potash Crown reserve area that restricts drilling only for potash on the Crown land within that area. There is also potash-restricted drilling areas around most of the mines that restrict all drilling activity, be it on freehold or Crown land.

Ms. A. Young: — Thank you. Am I mistaken? Is there not like a potash exclusion zone that's quite a bit larger, or did I . . .

Mr. Hughes: — Yeah, that was the area that . . . Essentially the highest area of potential for potash is strictly for the Crown land portion or the Crown ownership portion of that. There is only potash drilling allowed in that area. There is also though the potash-restricted drilling areas within that zone that have further restriction.

Ms. A. Young: — Thank you. But no maps available?

Mr. Hughes: — Oh, sorry. We'd probably best provide you a map. It is all publicly available.

Ms. A. Young: — Okay.

Mr. Hughes: — But it's not as easily accessible. It's through our geological atlas. But we can get you a map for sure.

Ms. A. Young: — If possible. I'd really appreciate it.

Mr. Hughes: — Yes.

Ms. A. Young: — So when was the last time that changes were made to the exclusion zones in Saskatchewan, thinking specifically around drilling in potash? And what is the process if an entity wants to make changes to one of those zones?

[16:30]

Mr. Hughes: — So there hasn't been any changes to that potash zone since its inception, and that was at the potash boom in the mid-2000s when it was established. We do have one pilot project looking at CCUS [carbon capture, utilization, and storage], and we're, you know, working with industry to see if CCUS can coexist in the far southern portion of the potash zone.

And your question about how a company . . . You know, companies are and can approach us with proposals, which we're happy to review. But at this point we haven't made any changes to the boundary, and we're not currently considering any at this time.

Ms. A. Young: — Thank you very much. That anticipated my next question. Obviously understanding that a single exemption is either being sought or has been granted for CCUS. I assume EOR project, now I've heard that companies can approach the government with proposals. Is that a formal intake process? Is it, you know, simply just like drop us an email? What does that look like? And can you help me understand why this single exemption has been granted?

Mr. Hughes: — There is no formal process to, you know, to get increased activity into that potash area because we are not currently planning to make changes to that. But as I said, there is a pilot CCUS project on the extreme south of that boundary just to determine if, in certain situations, that CCUS can coexist. But of course the most important aspect for us is maintaining the integrity and the security of the potash zone and the hundreds of years of potash that remain in that area.

Ms. A. Young: — Thank you very much. Minister, was there any active consultation with the potash industry before — I don't know what the technical language would be — but granting permission for this pilot?

Ms. Hordenchuk: — Hello. Sharla Hordenchuk, assistant deputy minister of energy regulation. So when the project . . . I guess in its earlier days prior to an application being made, there was definitely conversations with the mining association, and they had reached out to get a better understanding of where the project was at in our process. And as the project kind of worked through our process and as we learned more about it, we did make the offer to the mining association to provide any technical information they have, anything that they would want to offer in that regard so that we could learn together on that co-development initiative.

Ms. A. Young: — Thank you very much. And just to make sure I'm clear on this, I think I'll just ask one more time. Was there any formal or informal consultation specifically with potash industry? Or am I right in understanding that the engagement that took place with the mining association is the extent of it?

Ms. Hordenchuk: — So to follow up on my previous point, there were conversations and engagement with the mining association, which includes the potash industry. There is no separate entity that exists anymore. So the potash industry would be represented through the SMA [Saskatchewan Mining Association].

And also just to further add, there was conversations between the proponent and the neighbouring company to ensure that, you know, they were having that open dialogue and were aware of what was being proposed in the area.

Ms. A. Young: — Great, thank you. And having heard that there's not like a formal process for any further exploration and this is thus far a one-off pilot with no formal process in place, was this exemption granted following any kind of formal, informal lobbying, encouragement, cajoling, enthusiastic pressure from any board members? Of course I'm thinking of Premier Wall that sits on the board of the proponent of this project.

[16:45]

Mr. Hughes: — I guess first I should clarify there is a process to apply for lease of space, but there is no process to change the boundary of that potash area. So the proponent that we're speaking of actually originally wanted to be in an area further south of where their pilot is right now. It was the ministry, because of extensive dispositions in those areas, it was the ministry that chose that location for the proponent. So they were not, there was no discussion about them coming into that area. We were the ones that actually put them there.

Ms. A. Young: — Thank you for that. So I hear, I hear what you're saying in terms of it was, the location was essentially sited by the ministry, not by the company. So appreciate that. But just to revisit my earlier point, was there any communication or active lobbying done, Minister, to either yourself, your staff, or your officials by the former premier?

Hon. Mr. Reiter: — No.

Ms. A. Young: — Okay. Great. Thank you. I'd like to now move on to ask a couple questions about incentives in the oil and gas sector. So the information available to me, obviously sitting here in a room of experts, but to me would suggest that we've basically plateaued at the present time when it comes to the amount of oil production in Saskatchewan. But I recognize that the government's plan calls for, I believe it's 600,000 barrels per day to be reached.

So can you expand for me, can you provide comment on what projected oil production looks like for the next several years? And essentially how the government is going to reach 600,000 barrels per day.

Hon. Mr. Reiter: — A couple of things there I think, you know, you're talking about that have been stagnant for a period of time. I think part of that is coming out of COVID. There was some uncertainty possibly around the industry, but there seems to be worldwide sort of more confidence in that industry now going forward.

Part of what we're planning on doing that we think is going to increase the barrels per day is the recent announcement of the multilateral incentive program that we have. Forecast for that is upwards of 50,000 barrels per day. So that in and of itself probably won't reach the goal, but that plus sort of continued strength in the industry, we think we got an opportunity to export more oil. Confidence that the sector has . . . And we'll continue to work with the sector on that as well to see if there's anything else that we can do to do it. I mean, we want to do what we can to get Saskatchewan clean oil around the world. So it's sort of a combination of things. Multi-lats will be a significant part of it.

Ms. A. Young: — Thanks. And I'm trying to remember — I'm a bad critic — we're up to, what, 460, 480,000?

Hon. Mr. Reiter: — Yeah, it's in that range right now. Yeah.

Ms. A. Young: — So add in an additional 50,000 from the multilateral well program. There's still just shy of 200,000 barrels per day, or pardon me, 100,000 barrels per day to make up there.

Hon. Mr. Reiter: — Yeah, it'll be in excess of 500 with that if that pans out. And then, like I said, I think the intention probably is it'll also increase just because, like I said, confidence in the industry, you know, people more likely to invest now. And again, we'll continue to work with industry to see what else we can do to increase it. The multi-lats is a significant part of it, but it's not in its entirety.

Ms. A. Young: — Thank you. So beyond the multilateral well program, are there other incentives that the ministry is considering to help reach that goal?

Hon. Mr. Reiter: — So just a couple things. Your questions about other incentives, I should mention we just recently announced the two programs, oil and gas processing investment incentive and the Saskatchewan petroleum innovation incentive, that we've extended for another five years to 2029. We think that will be helpful.

There's no other sort of specific incentive programs that kind of we're waiting to unveil or anything like that, to that extent. But there's a lot of things that we're looking at that we think have potential. One of those is enhanced oil recovery, EOR, that we think there's some potential that, as technologies change, much as you see with a multilateral situation, right, a number of years ago the technology wasn't there, kind of wasn't really front of mind. But now it's current technology and it's helped a great deal.

So on the EOR side, I'm just going to get Cory just to delve into that just a bit more.

Ms. A. Young: — Sure. I will have more specific EOR questions afterwards as well.

Hon. Mr. Reiter: — Sure.

Ms. A. Young: — Thank you.

Mr. Hughes: — Yeah, so the EOR project, I think the Weyburn project is a great example of that. You know, we see it as an

opportunity to . . . it's some of the most sustainably produced oil in the world, with significantly less . . . It permanently sequesters the CO₂, and the Weyburn project has sequestered over 40 million tonnes over its lifetime. So you know, it's a real opportunity for the province to increase oil production but especially very sustainably with very low CO₂.

Ms. A. Young: — Thank you. I'd like to come back to the industry programs, the incentives. But on the Weyburn project, how high have they been able to drive recovery rates? Do you have that information handy?

Hon. Mr. Reiter: — Just wondering, instead of killing a bunch of time on you now, the folks are just working to get those numbers for you. Would you like to proceed and then if we can get them by 5:30 we'll have them for you? Is that okay?

Ms. A. Young: — That would be very appreciated. And even if it's not today just . . .

Hon. Mr. Reiter: — Yes, yes. That's fine.

Ms. A. Young: — More than idle curiosity but I don't need it to continue, thank you.

So enhanced oil recovery has always been a huge part of Saskatchewan's oil industry leases since the '70s, I believe. Are there any new projects on the drawing board that you see moving to implementation and production in the next three to four years?

[17:00]

Hon. Mr. Reiter: — So sorry. In the interests again of not taking up all your time, officials are telling me that there's 42 that they're aware of, 42 sort of project-application type. But they also know there's interest in a number of others. Is that sort of a good enough number for you or do you need more specific? Because that will take more time.

Ms. A. Young: — Yeah, happy to receive it at a later date if you can be more specific, appreciating there's probably some commercial sensitivity there, but . . .

Hon. Mr. Reiter: — Probably there is. I'll see what officials can come up with.

Ms. A. Young: — Okay. Okay, thank you. I'll follow up. Looking at the incentives in the 2024-25 budget — the petroleum innovation incentive, oil and gas processing, and the multi-lat program — are you able to detail what you expect the results of these programs to be in 2024-2025 as well as the projected cost of these enhancements before any consideration of the economic benefits, which of course I'm also interested in?

Hon. Mr. Reiter: — So just a couple points to your question there. I know you'd asked about oil and gas and OGPII and SPII. The funding caps, the dollar amounts I'm going to give you though, just to clarify, this is going to include the new critical minerals component as well, the caps are, so that plus the sort of existing criteria that we've used from past years for oil and gas.

So for OGPII, the oil and gas processing investment incentive, the funding cap is going to be \$500 million, and for

Saskatchewan petroleum innovation incentive, or SPII, it's going to be \$100 million. And I just want to clarify this too — it's important everybody understands this — these are credits, so they're going to follow the expenditure, right. They won't be first out of the gate. They'll follow.

Ms. A. Young: — For sure. Sorry. And do you expect these to be fully subscribed?

Hon. Mr. Reiter: — It was best estimate by ministry folks sort of based on how much it was transcribed in the past. And it's multi-year, so best estimate.

Ms. A. Young: — Okay. Thanks. So then looking at '23-24, what's the amount of royalty credits that were realized that resulted in a reduction in revenue?

Hon. Mr. Reiter: — Sorry, can you . . .

Ms. A. Young: — So in looking at '23-24, what is the amount of royalty credits that were realized that resulted in a reduction in revenue?

Hon. Mr. Reiter: — Sorry, could you just clarify your . . . If I could just clarify your question. You said revenue reduction.

Ms. A. Young: — Yeah.

Hon. Mr. Reiter: — That part's confusing me. So essentially when the credit's used it would reduce revenue. So you're sort of asking how many credits were used, correct?

Ms. A. Young: — Yeah.

Hon. Mr. Reiter: — Okay.

Mr. Hughes: — For the oil and gas processing incentive for fiscal year '23-24, we had \$11.16 million in credits that were utilized, so a reduction of oil and gas revenue. And for the processing investment incentive the reduction was 748,000 in '23-24 fiscal year.

Ms. A. Young: — Thank you very much. Recognizing the time, I'm going to try and shoehorn in just a couple quick questions on the uranium industry before moving quickly to forestry. What's the status of uranium mines in northern Saskatchewan right now? I'm curious how many are operating again. And have the mines gotten to a point in their reopening that they're starting to pay royalties again?

[17:15]

Mr. Hughes: — Yeah, so the operating mines, uranium mines currently are the Cigar Lake operation as well as McArthur River. McArthur River was restarted in 2022, and it is anticipated to be at full production this year.

Ms. A. Young: — Thank you. So to the second question there.

Mr. Hughes: — Oh, yeah. So the uranium royalties are paid on a corporate basis, so we collected royalties, you know. We've never not collected royalties through that period. But with McArthur back operating, especially at full production in 2024,

you know, uranium royalties have grown significantly from the period when it was shut down.

Ms. A. Young: — Do you have any projections or estimates that you're able to share with the committee?

Mr. Hughes: — We don't publish the uranium royalty number due to the limited number of producers, but it is captured in Finance's quarterly documents and in the 2024-25 budget that was 207 million, the majority of which is uranium.

Ms. A. Young: — Thank you very much. Speeding quickly to a couple questions on forestry. Actually let me back up just . . . sorry. One question: when is the decision point, the timeline for the NexGen uranium energy project? When's the next decision point on whether or not that's going to be moving forward?

Mr. Wagar: — So that project is through the provincial EA [environmental assessment] process, now in the federal EA process. And I think the Ministry of Environment's probably in a little better position to be able to give you insight if they can.

Ms. A. Young: — We'll see them in a few short hours, so thank you. With our last couple minutes here, maybe I'll just read my questions and see how much I can get in way of answers just in regards to the time.

On forestry I'm looking for a status update on the P.A. [Prince Albert] mill. As well as I'm curious where the permit is, whether or not it's been issued for the OSB [oriented strand board] plant. And if the permit has not been issued, when it's expected to be issued.

Mr. Hughes: — I think we are disappointed with the lack of progress on, but we are working with those companies, continuing just to see what their future plans are. On the OSB side, we have . . . Environment issued a permit in August of 2023, and we continue to work with them on their options in establishing the OSB mill in the province.

Ms. A. Young: — Thank you. So just to follow up, the Ministry of Energy and Resources has not been informed that the pulp mill in Prince Albert will not be reopening?

[17:30]

Hon. Mr. Reiter: — So we're obviously disappointed at the lack of progress there. That's no secret. We just don't think . . . You've got corporate confidentiality there. The company, to the best of my knowledge, hasn't made any public statements. We just don't think it's appropriate for government to be making statements until they do. In the meantime, we've made it clear that, you know, our door's open for discussion with the company, moving forward.

The Chair: — So having reached our agreed-upon time for consideration of these estimates, we will proceed to vote on the estimates and supplementary estimates no. 2 for the Ministry of Energy and Resources. But before we begin with that voting, Minister, if you have any closing remarks that you'd like to make.

Hon. Mr. Reiter: — I would just to thank you, Madam Chair.

I'd like to thank the committee members for their time, Ms. Young for her questions, and the staff for being here as well. Thank you.

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

Ms. A. Young: — Thank you, Madam Chair. I'd add my thanks to the members opposite; to my colleague, the member from Walsh Acres; to yourself; Clerks; Hansard; as well as yourself, Minister, and your officials. I always find these incredibly engaging and I thank you and your officials for the thoughtfulness and responsiveness of the answers.

The Chair: — Minister, you and your officials are welcome to leave or stay for the vote, whichever you choose.

And we will proceed with vote 23, Energy and Resources, which can be found on page 39. Central management and services, subvote (ER01) in the amount of 25,171,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Energy regulation, subvote (ER05) in the amount of 12,399,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Resource development, subvote (ER01) in the amount of 13,743,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 4,712,000. Non-appropriated adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Energy and Resources, vote 23 — 51,313,000. 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, 2025, the following sums for Energy and Resources in the amount of 51,313,000.

I need a member to move. Mr. Francis so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Supplementary Estimates — No. 2
Energy and Resources
Vote 23**

The Chair: — Supplementary estimates no. 2, 2023-24, vote 23, Energy and Resources found on page 12, resource development, subvote (ER06) in the amount of 94,500,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Energy and Resources, vote 23 —

94,500,000. 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 94,500,000.

Mr. Harrison so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. The committee now stands recessed till 6:30 p.m.

[The committee recessed from 17:35 until 18:29.]

**General Revenue Fund
Environment
Vote 26**

Subvote (EN01)

The Chair: — All right. Welcome back, committee members. We will now consider the estimates and supplementary estimates no. 2 for the Ministry of Environment. And we will begin with vote 26, Environment, central management and services, subvote (EN01).

[18:30]

Minister Tell is here with her officials. And, officials, the first time you speak at the mike, mention your names and your positions, and Hansard will turn the mikes on for you. Minister Tell, you can begin by introducing who has joined you here this evening and then provide your opening remarks.

Hon. Ms. Tell: — Great, thank you. I'm glad you reminded me that I don't have to touch the mike. I was just talking about that because if I . . . I have to apologize to Hansard because I will just continue hitting it. You know, I don't learn, right. Yeah . . . [inaudible interjection] . . . Huh? I'm not apologizing to you.

Anyway, good evening everyone. Beside me is Aaron Wirth with the ministry and of course Deputy Minister Veronica Gelowitz, and it's great to be here with you. Well not you . . . [inaudible interjection] . . . No.

I'm pleased to be here today to present some of the important initiatives that are supported by the '24 . . .

The Chair: — Minister, do you want to introduce the rest of your officials that have joined you? Just for the purposes of Hansard to know who is here.

Hon. Ms. Tell: — Okay.

The Chair: — Thank you.

Hon. Ms. Tell: — All right. Oh God.

The Chair: — Sorry.

Hon. Ms. Tell: — Are they there? Oh, they have a list for me.

That's good. I mean I refer to these people all the time by their first name, right. So anyway, sitting right there in a key spot is Wes Kotyk, assistant deputy minister of the environmental protection division. Beside him is Rebecca Gibbons, assistant deputy minister of corporate services and policy division. And Aaron is of course sitting here, and he's the exec director of climate resilience branch. And Kevin Murphy is sitting right here and he's the assistant deputy minister of resource management division. And we have Kenneth Cotterill, my chief of staff. Anyway.

Okay, now that we've got through all that, as Minister of Environment I'm proud of the ministry's commitment to managing the province's environmental health. Through innovative strategies the ministry aims to responsibly manage Saskatchewan's environment, drive innovation, and bolster economic growth. The ministry's proposed '24-25 expense budget is 234.9 million, an increase of more than 146 per cent. This reflects an additional 140 million for clean electricity projects to support our transition to net zero emissions electricity grid by 2050.

This year's budget invests in clean energy, supports conservation, and enhances Crown land management. This allows our government to provide the programs and services that Saskatchewan people need and deserve. Take a moment to share some detail on some of these initiatives now.

Climate resilience and OBPS [output-based performance standards]. *Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy* is a government-wide approach to respond to the impacts of climate change. The strategy employs natural systems and technological innovation to reduce greenhouse gas emissions while protecting our competitiveness, prioritizing affordability, and enhancing sustainable growth and development.

Saskatchewan's output-based performance standards program, or OBPS, is a key component of the province's climate change approach. Under Prairie Resilience, the OBPS program requires reductions in emissions intensity across most economic sectors, along with a technology fund to support industry's adaptation of technologies and practices that reduce GHG [greenhouse gas] emissions intensity. As such the province will retain full policy autonomy concerning how it prioritizes clean electricity transition investments to ensure that Saskatchewan has a reliable, affordable, and net zero emissions power grid by 2050.

The electricity sector in Saskatchewan is now part of the province's OBPS program. Despite this change, Saskatchewan is committed to a well-managed, clean electricity transition to net zero emissions by 2050, ensuring reliability and affordability are always the foremost considerations in setting provincial electricity policy.

To assist in the transition, the province has established two new methods of allocating electricity sector revenues into the general revenue fund, the small modular reactor investment fund, and the clean electricity transition grant.

All OBPS compliance payments from the industrial and resource sectors will continue to be deposited into the Saskatchewan Technology Fund, which will provide grants for industry-driven

projects that reduce, sequester, or capture emissions. The technology fund enables the return of compliance payments to regulated emitters through a competitive application-based intake process. There is currently \$25 million available in the technology fund, which was allocated from regulated emitters in 2019 and 2020.

This program is administered by Innovation Saskatchewan and received 20 expressions of interest during its inaugural intake period, which took place late last year. The fund is great news for Saskatchewan industry. It demonstrates Saskatchewan's ability to push back against federal government's national targets for greenhouse gas reductions. The technology fund will help make that happen, and we expect to be able to make our first funding announcements this fall.

The government recently launched the Sustainable Saskatchewan campaign. This campaign draws attention to the role Saskatchewan is playing in providing the world with sustainable products — food, fuel, and fertilizer. Through sustainable land use practices, progressive environmental regulations, and innovative technology, Saskatchewan is strengthening its resilience to climate change while becoming a world leader in sustainable economic development and environmental stewardship.

Our climate change strategy is a balanced and measured approach that contributes to global efforts to address climate change while growing our economy to the benefit of current and future generations.

Appropriately managing our forests is key to growing our economy and managing the health of the environment. Forestry is northern Saskatchewan's largest sector and the backbone of our northern communities. The northern forestry sector supports families and communities with nearly 8,000 jobs and hundreds of businesses, both of which are by far the highest proportion of any province in Canada.

A great number of people employed in the forest industry in Saskatchewan are Indigenous. It is a point of pride for our government, for our people to have such excellent Indigenous representation in one of our more critical economic sectors.

The growth plan includes the goal to double the growth of Saskatchewan's forestry sector. To support this work, the ministry will spend an additional \$400,000 again this year to accelerate the forest resource inventory project. It will provide high-quality information about forest resources that will ultimately help grow Saskatchewan's forestry sector.

Like the forest industry resource project, a timber scaling system is critical to measuring and collecting dues from the forestry industry. Saskatchewan's current timber scaling and harvesting information system is running on outdated software with limited technical support and is at the end of its lifespan. Timber scaling is a method for measuring forest products to determine volumes, to access Crown timber dues and renewal fees. This system will modernize the digital service so the forest industry can interact with the government as they have been asking for.

In addition to the forestry sector, the provincial economy depends heavily on natural resource industries. This allows our industry

partners to operate and grow, while also enhancing environmental outcomes for the province.

In response to the government's critical mineral and investment attraction strategies and anticipated workload growth, the ministry is investing \$620,000 to improve the capacity to manage Crown resource land use. This includes additional staff for our lands branch, improving capacity to provide appropriate and timely review of project submissions and to incorporate mitigation measures to reduce potential environmental impacts.

Additionally the ministry's budget includes 225,000 for the protected and conserved areas network program, and an increase of 600,000 — hang on a minute — 500,000 for continued woodland caribou range planning.

The ministry's approach in these programs involves collaboratively designing regulatory tools, engaging industry partners, and working with Indigenous communities to achieve our environmental outcomes, while also remaining vigilant in our efforts to conserve the diverse species in our province.

Protected and conserved areas safeguard ecosystems, wildlife habitat, and species at risk. They help us in numerous ways, including mitigating the effects of climate change and supporting tourism and recreation. They also provide valuable opportunities for reconciliation and renewed relationships between Indigenous and non-Indigenous peoples.

We are also working with industry so we can identify opportunities to support sustainable mineral exploration in Saskatchewan. Investing in natural resource industries are instrumental to the economic growth of this province.

We continue to have initiatives supported by Saskatchewan Fish and Wildlife Development Fund. This fund was developed to manage, preserve, and enhance fish and wildlife habitat in Saskatchewan. The fund has three fish and wildlife management goals: maintain natural habitat through conservation, biodiversity, land management, and awareness of rare species; maintain and grow sustainable fish populations and fish habitat; and maintain game populations and ensure accessible hunting.

We encourage and fund co-operative projects with local volunteer interest groups that may involve planting trees and cleaning away old buildings, machinery, and fences. Thirty per cent of the revenue from all hunting, angling, and trapping licence sales is contributed to the fund. And this year, due to anticipated number of licence sales, we are increasing our support to the fund by \$307,000.

Wildlife and game populations are major parts of our natural resources, belonging to all Saskatchewan people. The ministry manages game population and works to maintain sustainable game populations. Working with our Indigenous partners to blend traditional knowledge with science-based data has been a key component for managing our wildlife populations.

Part of how we do that is through ground-based surveys. In recent years we've invited Indigenous community members along on our ground-based surveys. It's been an excellent exchange of ideas and knowledge and is becoming a key piece of our ground surveys.

Aerial surveys are also critical in gaining the best possible information on wildlife populations. These surveys are used to monitor elk and deer populations in areas where landowners and producers are experiencing damage to their land and crop. This year's budget includes investments to expand the regular aerial survey program, which will help us manage elk and deer populations through more effective policies and management plans. The expanded surveillance program will let wildlife managers refine hunting licence allocations with the intent to see a reduction to Saskatchewan Crop Insurance Corporation wildlife damage claims.

We continue to implement our solid waste management strategy, recognizing the critical role waste management plays in protecting the environment and public health. It is a strategy that protects the environment and promotes economic development and innovation. This year we will be undertaking the year 5 review of the solid waste management strategy. We want to ensure that our approach to solid waste management continues to effectively address environmental concerns and the evolving needs and priorities of communities and stakeholders.

[18:45]

We will continue to work with Indigenous Services Canada and the Ministry of Government Relations on the development of northern regional landfills to improve waste diversion and environmental protection. And we will be exploring a Saskatchewan Environmental Code chapter for composting facilities. This will help to protect against adverse effects resulting from improper management at these sites, while simultaneously streamlining requirements and enhancing operational efficiency. Through this review, the ministry will consider new regulations and code applying to municipal, private, and industrial landfills and replacing *The Municipal Refuse Management Regulations*.

Maintaining and improving air quality is crucial to achieving the Ministry of Environment's goal of safe communities and healthy environments. To ensure everyone can access air quality data, we must collect it using scientifically reliable methods. This year we will employ a rapid air quality monitoring system to increase the ministry's year-round capacity to respond to high-priority situations on short notice.

We proposed capital funding to purchase a new trailer to replace the rapid deployment air monitoring station and the required analyzers for air quality monitoring and compliance throughout the province. This will accommodate and adequately house a larger suite of parameters. The current mobile air quality station runs in a small trailer, which means it can only carry minimal equipment. The current mobile station monitors air quality in wildfire areas and air zone management. The ministry is seeing an increase in the need to support industrial air quality management, which requires the capacity to measure different or more parameters in all four seasons.

The ministry will also enhance surveillance for emerging wildlife disease threats and disposal of chronic wasting disease. This includes targeted testing to help manage the disease. We've heard from hunters. They're concerned about the turnaround time for CWD [chronic wasting disease] results. On average it takes four to six weeks. The ministries of Environment, Health, and

Agriculture want to make CWD testing and carcass disposal as easy as possible.

Another important component of natural resource sustainability is on the aquatic species, invasive species threat. Zebra mussels are present in neighbouring jurisdictions, including Manitoba, North Dakota, and Montana. To prevent entry of aquatic invasive species into the province, the ministry operates watercraft inspection stations along our eastern and southern borders. We also partner with provincial agencies and non-governmental organizations to monitor more than 130 water bodies annually for high-risk aquatic invasive species.

In addition, we operate mobile decontamination stations throughout the province where we educate the public on how to clean, drain, and dry their watercraft. In our public education campaign this year we have an enhanced focus on all water equipment, not just boats. Every water user in Saskatchewan has a responsibility to clean, dry, and drain their gear, whether it's fishing tackle, paddle boards, or even their floaties and water toys. Through the work of the ministry, we will educate and inform the public so we can keep our water bodies free from the risk of invasive species.

The ministry is continuing work to reduce the environmental impact of abandoned non-uranium mine sites. The ministry is working to promote our Impacted Sites Fund to our municipal partners. The fund was established to provide municipalities with some financial support to address orphaned, environmentally impacted sites, creating economic and social development opportunities. Their program is funded from fines collected from when an infraction occurs under *The Environmental Management and Protection Act* of 2010. Just last year the town of Shaunavon was the first recipient of the funds. They received more than \$70,000 to complete two phases of site assessments at a former car dealership. This program is a great example of leveraging penalties into environmental health.

The work we have presented 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. I would like to thank the Committee on the Economy for your attention and support, and look forward to your questions. Thank you, Madam Chair.

The Chair: — All right. Thank you, Minister. I will now open the floor to questions from committee members and recognize Mr. Clarke.

Mr. Clarke: — Thank you. And thank you, Minister, and to all your civil servants here tonight. Looking forward to a good conversation.

I'll get right into it. The Canadian Parks and Wilderness Society has recently released a report card on protected areas called *Building Momentum*, a progress report on Canada's nature protection targets. In it Saskatchewan appears to be failing to protect and conserve areas for biodiversity. The province's goal is 12 per cent. I think we currently sit at 9.9 per cent. I'm wondering, how does the Ministry of Environment intend to meet this goal of 12 per cent protected area by 2025?

Hon. Ms. Tell: — Kevin Murphy is joining us here to get into

the details of the plan and the template that we are using to reach our targets through a number of initiatives. And I'll turn it over to Kevin. Thank you, Kevin.

Mr. Murphy: — Thanks, Minister. Kevin Murphy, assistant deputy minister of our resource management division. Thanks. So as the minister mentioned, Saskatchewan has a road map to reach that 12 per cent target. This last year we undertook a re-designation of a number of our grasslands, mainly pastures that are held by either agricultural organizations or the Ministry of Agriculture, to recognize them as what's called an other effective area-based conservation measure, an OECM.

An OECM designation, or recognition more to the point, is different from a designation under the environmental action . . . like a protected area is traditionally considered. OECMs are a categorization that allows continued, compatible utilization for economic purposes on the landscape. So in this particular instance with the grasslands, that continues with ranching, grazing practices.

That was a first step in familiarizing our stakeholders and our land stewards with that kind of a recognition of the land base. Using that process that we've started, it's our intention to work with our colleagues in Agriculture to continue to list more of our grasslands, to work with our colleagues in the Water Security Agency to look at the potential for listing some of the water bodies in the province, and to work with our own forest service to look at designating some more forest lands as OECMs.

We believe that using those methods, we're on track to meet our 12 per cent targets in the time frames expressed in the resiliency plan.

Mr. Clarke: — Thank you. The COP15 [Conference of the Parties 15], the biodiversity COP in Montreal, the federal government signed on to 30 per cent conservation goal by 2030. Is this something that the Government of Saskatchewan is considering and thinks is worthy of implementing?

Mr. Murphy: — Saskatchewan's position with regards to the original inception of our representative areas network and the 12 per cent target that was originally globally agreed to admittedly is that one of the precepts of that was to ensure that not only were we protecting areas that were important from a biodiversity perspective or culturally important, but that we were setting up benchmarks, benchmarks against which we could gauge the successive implementation of our regulatory framework on the remainder of the province.

It is our position that in order to truly maintain biological diversity we have to maximize the integrity and the sustainability of the entirety of the province. And the ecological reserves, the representative areas network, and now the protected and conserved areas network was established to help us gauge how those management practices, the stewardship of the land base is being successful.

We consider that that is a part of the overall biological diversity protection framework that's part of the work that even the COP process has adhered to.

There's a number of other actions beyond just the protected areas

piece.

[19:00]

The 30-per-cent-protected-areas target for us is difficult because in some cases it's arbitrary. Our original program was intended to get 12 per cent of each of the ecotypes in the province to help us with that benchmarking. The 30 per cent target is actually impossible for us to reach in some of those areas. If we think of the Regina plain as an example, less than 4 per cent of that is in native condition.

We consider our job to be thinking about the other 96 per cent as well as that 4 per cent. And the 30 per cent target, because it's now being lumped for the land base as opposed to an ecotype, is somewhat arbitrary and not something that we're considering important from the overall biodiversity protection program.

Mr. Clarke: — Thank you. Goal 2 of the business plan for this budget for the Ministry of Environment does state, you know, sustainable landscapes and wildlife populations that are resilient and biologically diverse.

I want to shift gears a little bit, but staying with the protected areas piece, you know, Water Security Agency in recent consultations and presentations to stakeholders has proposed an agricultural water stewardship program that will promote the drainage of wetlands for economic growth. The current draft shows that the policy would allow up to 50 per cent of wetlands to be drained in any given drainage project or any given wetland area.

And I'm wondering, how does that fit to, you know, let 50 per cent of wetlands disappear off the landscape at the same time as trying to protect 12 per cent of the various ecosystems that you mentioned, especially in the agricultural zone where currently little protection exists and a lot of those wetlands have already been lost? So I'm wondering how can we allow Water Security Agency's policy of up to 50 per cent or more drainage to occur while still protecting 12 per cent of the province?

Mr. Murphy: — So the planning that Water Security has been doing on its water management framework has been done in consultation with Environment. For the overall layout of that strategy I'd encourage you to work with Water Security.

However what I can assure you is that they have consulted with us. And there is an expectation that in addition to the overall orderly management of water, which will include some drainage but will also include just general management of the water bodies and watercourses in an area, there is an expectation that they work with Environment to identify important key nodes and important areas from a perspective of not only biological diversity, but for target species like waterfowl if there's a fisheries, you know, target in the area.

And then in addition to that the targets are for around 50 per cent, leaving another 50 per cent on the landscape that is in relative native condition. And it is not the expectation of Environment or Water Security that that level of management will be required across the entirety of the province.

That target is being set because there are some areas where they

have a larger need to be able to undertake water management because of the conditions — just, you know, a lot of water on the landscape, high rainfall events, flooding concerns, things like that. There's other parts of the province where we have limited expectation of any kinds of drainage or management requirements — drier areas of the province, etc.

Mr. Clarke: — Thank you. You know, part of that, the agricultural water stewardship policy data that the WSA [Water Security Agency] is using suggests that 86 per cent of wetlands currently exist on the landscape, which when you talk to, you know, landowners or when you talk to many stakeholders is a bit laughable that that number would be suggested as what remains of wetlands on Saskatchewan's landscape. And so the 50 per cent, you know, that's a lot of wetlands being drained.

And again I look at the business plan for the ministry. At what point, you know, the performance measures, what does success look like? Critical habitats are identified and managed to support continued use by sensitive species. Again reference waterfowl, an economically important group of animals from a hunting perspective to the economy; species at risk, including tiger salamanders and various things. At what point does, you know, the loss of wetlands on the landscape become now a concern because it's becoming an endangered ecosystem?

Hon. Ms. Tell: — The target and the mandates set by WSA is by WSA, and you'll have to ask WSA that question.

Mr. Clarke: — Thank you, Minister. I do think it's the mandate of the ministry to, you know, protect ecosystems in this province. So I do think it falls under your jurisdiction, but I'll move on.

You know, research from WSA shows that 30 per cent wetland loss, we start to see significant impacts to wildlife at that point. And again WSA is suggesting that, you know, over 50 per cent of wetlands can be lost. How does this drainage policy support the ministry's game management strategy, the fisheries management strategy, the Prairie Resilience report, and species at risk management?

Mr. Murphy: — So with regards to the question of how WSA is incorporating our values and thresholds, we're still in consultation on a lot of that plan. They haven't released a final version of it, and they're consulting with other stakeholders as well as us to look at things like triggering thresholds. And until they've actually ratified that and passed it through, I can't speak to exactly how that will come out, but I can state that we are having engagement with them about how we would undertake that work.

Mr. Clarke: — Okay, thank you. Yeah, I've heard from a participant who attended one of the stakeholder meetings recently, and the statement was made that WSA is okay with seeing wildlife populations crash for the sake of wetland drainage, which was shocking to me.

The research shows, you know, that wetlands are important carbon sinks and as we see, you know, these ecosystems removed from the landscape, obviously we would see a release of emissions, greenhouse gas emissions, from wetlands. As the amount of wetlands drainage increases, how does the ministry intend to offset these new emissions and replace these carbon

sinks on the landscape?

[19:15]

Mr. Wirth: — Hi. Aaron Wirth, the executive director of the climate resilience branch in Ministry of Environment. Thanks for the question. I think it's a fair question to ask about sequestration when it comes to wetlands. For sure it's something that I know in the Ministry of Environment we're trying to get a better understanding of.

I think the emissions data and sequestration data in terms of carbon removals on wetlands has been hard for some of our experts in the Ministry of Environment to verify, some of the stuff that's coming out of the *National Inventory Report* that the federal government produces every year.

So we would agree that that's something that we, yeah, we need to continue to look at and see exactly the potential sources or sinks when it comes to wetlands in Saskatchewan to understand that a little bit better. But as far as we've seen so far, we're not seeing necessarily potential for large . . . that wetlands be a large source of emissions. I think we're seeing large swings already in the existing wetlands, and so again that's something that I think we could probably use better data and better science on to better understand, and will.

But in terms of some of the other stuff we're doing in the province when it comes to sequestration, it's pretty significant. The agriculture sector alone sequesters through ag soils, things like zero tillage, almost as much emissions as it emits as a sector in terms of farming practices and fertilizer and the like. And so that sector is virtually net zero as it stands, and those are world-leading practices in terms of fertilizer management in ag, ag tillage, and precision agriculture for our Nutrien stewardship.

So those are all the things that we want to support in Saskatchewan. And in some cases that means, you know, having debates with the federal government when it comes to some of their policies that are curbing some of the offset potential that we have in Saskatchewan.

We know that Saskatchewan has one of the largest land bases in the world, and that means for offsets for sequestration, whether that's through biological sequestration or mechanical sequestration. We have lots of porous space potential, CCUS potential, forestry potential, and lots of advantages when it comes to some of our sustainable management practices in the forestry sector. So these are all things that are featured in Prairie Resilience, our climate change strategy, and under our resilience framework as well, and things that we continue to track.

In terms of promoting offsets we're still, I think, very keen on providing recognition for offset development for project developers, for farmers in Saskatchewan. I think we've been challenged by some recent rules that the federal government has introduced that make it very difficult for us to add offsets to our regulatory program in Saskatchewan, our output-based performance standards program. That's a really great way to provide recognition, by allowing offset project developers, farmers, foresters, and the like to make decisions that sequester and remove more carbon from the atmosphere by sequestering it in our soils and then, you know, using that to offset compliance

for some of our regulated emitters.

So we've seen in other provinces they've been able to add some of our programs, but when we tried to add some of those into our OBPS program, the federal government had changed the rules and made it impossible for us to add ag soils, for example, as an offset mechanism, a compliance mechanism through offsets through our program.

And so we're still encouraged by the potential that there is in Saskatchewan for offset development and for sequestration, and we want to continue to encourage that and continue to have lots of conversations with the federal government trying to advocate for the interests of our farmers and offset developers so that we can increase those amounts like we've seen in the ag sector, which is a really great success story in terms of what that sector's been able to do to offset its emissions.

Mr. Clarke: — Thank you. Changing gears slightly, it's my understanding that the ministry has conducted a fine-scale assessment as to what percentage of native prairie exists or remains in Saskatchewan. Can you tell me what is the official number of how much unbroken native prairie remains in the province?

Mr. Murphy: — Thanks for the question. The last comprehensive work that was done on a grassland estimate for Saskatchewan was over two decades ago. And the work was conducted with what is now considered to be very low-resolution satellite imagery, over 30-metre pixels and therefore, by today's standards, less reliable.

Because of that, we're actually in the midst of doing some update work on that, which . . . much better imagery. Trying to use tools like artificial intelligence to undertake some of the analysis work for us, and ground truthing with the team. And as a result, we don't have a current accurate number for the amount of remaining grassland. It's one of the reasons we're undertaking the work is to get that figure.

We will release that when the work is completed. Unfortunately I don't have an estimate of how long that will take us because, as I said, some of the tools that we're trying to use to accelerate the interpretation are somewhat new, untested, and need to be ground truthed. So my team has not got an estimate of when we'll complete the work. It will be over the next several years that we're able to complete that.

Because of the age of the old product, we don't feel it's necessarily a truly reliable estimate for us, and we no longer use that information to help us as anything other than a rough guide of where target areas might be for the current work.

Mr. Clarke: — Thank you. Would the, you know, the work being done, would that fall under the prairie landscape inventory?

Mr. Murphy: — Yes, that's correct.

Mr. Clarke: — Thank you. What actions is the province taking to address the loss of native prairie in Saskatchewan?

Mr. Murphy: — Thanks for the question. We have a variety of tools and practices that help us protect native habitat throughout

the province. The environmental assessment process demands that if a development is on native grass that there either be mitigation for impacts or avoidance and that's a part of the environmental assessment process.

Our regulatory system uses tools like the prairie siting guidelines to ensure that there is a minimization of impact to grasslands and an avoidance of native grass by projects such that it doesn't interfere with those. And we even undertake work on private land to ensure that if there's native prairie, that those siting guidelines are being followed by industry when they're undertaking activities like everything from irrigation projects right through to some of the new helium projects that are taking place in the Southwest of the province.

In addition to that regulatory framework that the ministry uses for the entirety of our landscape, there's a variety of tools where we have identified grasslands. If they're in provincial holdings, Crown agricultural land or other types of Crown land throughout the province, we use tools like *The Wildlife Habitat Protection Act*, regulatory designation, you know, the overall sort of protected areas strategy that we talked about, the recognition through OECMs with our various partners.

And we also work with our partner NGO [non-governmental organization] groups — Nature Conservancy, wildlife federation, Ducks Unlimited being examples, also the stock growers — to be able to place conservation easements on grasslands where landowners voluntarily accept that.

So there's a spectrum of tools all the way from stewardship right through to regulatory requirements that are employed across the landscape.

Mr. Clarke: — Thank you. Talking about fish and wildlife development land, how many acres are currently under that designation? And then how many parcels of land would that be?

[19:30]

Mr. Murphy: — My apologies. We're struggling to see, with the data information that we've got, whether we have the current stats on the tables, and while the staff were able to provide me with the number of parcels, we didn't get the information about the number of hectares for you. So we'll provide you with that information.

Mr. Clarke: — Sounds good. Thank you. Was there any fish and wildlife development land that was removed from that designation in the last fiscal year, so 2023-2024?

Mr. Murphy: — I'm not aware of any Fish and Wildlife Development Fund land that was removed in the last year. Typically Fish and Wildlife Development Fund is held in perpetuity.

There have been some circumstances in the past decade where we have made a trade with landowners for things like access, to ensure that it's accessible to our hunting public and other people, birdwatchers, etc., whoever, that it's available. We've had a few parcels that became isolated over time inside of private lands and were blocked from access, so we made trades to do that. But it's a very rare circumstance where we remove land from the Fish

and Wildlife Development Fund holdings.

Mr. Clarke: — Thank you. How much money was spent in 2023-2024 on fencing for fish and wildlife development lands, and how much is budgeted in this budget?

Mr. Murphy: — Sorry, I don't have that information available right now from our staff or others.

Mr. Clarke: — Would you be able to find that?

Mr. Murphy: — We would consider that, yes.

Mr. Clarke: — Okay. Thank you. Looking at the budget, I'm noticing a minor decrease in the climate resilience line. Can you tell me about that?

Ms. Gelowitz: — Veronica Gelowitz, deputy minister. Thank you for the question. There was just a small reorganization. A program moved to another area in the ministry.

Mr. Clarke: — What program would that have been?

Ms. Gelowitz: — For managing the eastern Athabasca regional monitoring program. We moved it to within the environmental protection division, responsibility for overseeing that.

Mr. Clarke: — So it would still be in the Ministry of Environment then?

Ms. Gelowitz: — Correct.

Mr. Clarke: — Okay. Thank you. Also looking at the budget, environmental protection decreasing by \$3.64 million. Would this be from moving conservation officers out of the ministry? Or what would the reduction be for that?

Ms. Gelowitz: — So there were a few changes in that subvote. The Sarcas operating grant decreased. It's based on the environmental handling charges received two years prior, so that was down about 1.2 million. We have a technology project that is in the final year for '24-25, so that's a decrease that's reflected in environmental protection as well. As well as our contaminated sites, what we intend to spend next year on contaminated sites remediation has decreased.

Mr. Clarke: — Okay, thank you. Minister, can you explain why conservation officers were moved out of the ministry and into policing ministry?

Hon. Ms. Tell: — That occurred during the '21-22 budget, and that rationale was provided at the time.

Mr. Clarke: — Okay. What kind of relationship do conservation officers have with the ministry currently then?

Hon. Ms. Tell: — The relationship with the ministry, with conservation officers, has not changed. They still have the regulatory powers that they had before and continue to exercise that duty and responsibility.

Mr. Clarke: — Has their responsibilities expanded to include more things like, you know, traffic violations or those kind of

things? Radar?

Hon. Ms. Tell: — The expanded duties currently undertaken by the conservation officers should be answered by CPPS [Corrections, Policing and Public Safety]. And I mean, all of it has been public, but I'll let them answer that question.

Mr. Clarke: — Thank you, Minister. Does the ministry track how many contacts conservation offers have with hunters and fishermen?

Hon. Ms. Tell: — There's no expectation of contacts being reported, and so they don't. I mean there are so many ways in which to have contact with someone, but it isn't reported directly to the ministry.

Mr. Clarke: — Okay. Just touching on the Lake Diefenbaker project briefly, has any kind of environmental assessment been conducted on that project?

[19:45]

The Chair: — Mr. Clarke, that question is probably better directed to Water Security Agency even though . . . You know, because they're still in the initial processes of a lot of this.

Mr. Clarke: — Environmental assessment, is that not the ministry's . . .

Hon. Ms. Tell: — Well we haven't received a proposal, so there's nothing to report.

Mr. Clarke: — Okay. Has the ministry done any modelling or forecasting around impacts to the Diefenbaker project? I'm thinking downstream ecosystems, say, Cumberland delta.

Hon. Ms. Tell: — That kind of detail would be something we would be looking for in the proposal.

Mr. Clarke: — Just to touch on the Cumberland delta for a second, we all know that this is the largest inland delta in North America, freshwater delta. I think both the minister and I have had the opportunity to explore it on an airboat. Indigenous folks from up in the area are describing how the water flow volumes are really changing over time, especially in the last 50 years because of the dam, and the seasonality of these flows has dramatically changed too.

In my time up there in September of this past fall, we're seeing lots of invasive species in terms of phragmites expanding on the landscape and then also just the reduction of water into the delta itself impacting this ecosystem in a big way. Is the province doing anything to kind of mitigate any of the changes that are happening due to the dam? Thinking about water flow, how the river's drying up, a lot of the flow is changing and less water is coming into the delta.

Hon. Ms. Tell: — Those responsibilities are under the WSA, their operational responsibilities. There is no question that Environment would be consulted from time to time in that regard, but it is not our function and not our role.

Mr. Clarke: — Okay, thank you, Minister. Does the ministry

have the most recent numbers on what the 2022 emissions are from electricity generation?

Mr. Wirth: — So for the year 2022, SaskPower wasn't required to report to the Ministry of Environment on its emissions. We do regulate SaskPower in terms of a coal-fired equivalency agreement with the federal government, and that's where our regulatory role and SaskPower intersect. But those numbers would have been reported directly to the federal government under the federal output-based pricing system.

Going forward we'll not only be regulating coal-fired electricity from SaskPower, but we'll also be pricing their emissions starting retroactively January 1, 2023. So we don't have that data with us right now, and it's not been officially reported to the Ministry of Environment as yet.

Mr. Clarke: — Okay, I asked just because that data appears in Prairie Resilience, right. So just curious if that had been updated. Why doesn't Prairie Resilience report overall emissions for Saskatchewan?

Mr. Wirth: — So the concept of Prairie Resilience is resilience, and so we look at not just the climatic impacts of climate change but also the social and economic impacts. And so when it comes to emissions, we see the most important measure for emissions as being emissions intensity. So in the case of a sector, that would be emissions per unit of output or product, and then for the overall economy and the sectors in it, emissions per unit of GDP [gross domestic product].

So that's an important measure for Saskatchewan because we know that we're an export-oriented province. We're the largest per capita exporter in Saskatchewan, and we trade in a lot of commodities. And those commodities, in almost all cases, are of a lower average emissions intensity than our competitors globally.

And so we see that by having programs like the output-based performance standards program, which focuses on emissions intensity — so again, emissions per unit of product — we're able to continue to produce while lowering our emissions intensity. And the more we produce of those goods, the more they displace higher-emissions products, commodities, and other products globally.

And so when it comes to fighting climate change it's important to look at the global atmosphere — there is just one atmosphere — and the overall contribution of the province and all of its sectors in reducing overall global emissions.

If we focus more as a performance measure on absolute emissions, you know, I think we would struggle keeping many of our sectors operating sustainably. Right now we know that our emissions intensity continues to go down. We continue to see a delinking of the emissions required to produce a unit of GDP across the economy.

And in our output-based performance standards program for example, since 2019 we've seen an emissions intensity reduction of more than 3.5 per cent, which is overachieving the goals of the output-based performance standards program. The program would have us reduce our emissions intensity across the sectors

that we cover by about 2.4 per cent, and we're at 3.5 per cent reduction.

So what we're seeing is production continues to go up. Those goods are sustainably produced — and we're likely going to try to estimate this going forward — but they're displacing higher-emissions goods elsewhere. That's overall a global emissions reduction, but at the same time we continue to grow our sectors and the jobs that those sectors support.

So that's been our primary focus: emissions intensity from both an economy-wide standpoint and across our emissions-intensive and trade-exposed sectors.

Mr. Clarke: — Thank you. Minister, is it the position of the government that the OBPS program should be scrapped for industry in the private sector?

Mr. Wirth: — Thanks. Thanks for the question. The output-based performance standards program is a tax relief program, and so it's in direct response to the federal backstop, the federal carbon pricing backstop. And it exists to prevent carbon leakage, which is production, jobs, and emissions going to countries with more lax environmental standards.

And so the program exists really well. It provides obviously a discount on the federal fuel charge, that's part 1 of the carbon pricing pollution Act, and it allows our companies in Saskatchewan under the OBPS to remain competitive as they reduce their emissions intensity of their facilities gradually and over time.

And it gives them an opportunity to recoup some of those costs through the Saskatchewan Technology Fund, and buy and sell performance credits or carbon capture, utilization, and storage credits. And so the program today works really well, but it exists because of the federal carbon pricing backstop.

So you know, any future decision around the OBPS program, it would really just depend on any changes at the federal level, and then would require the province to revisit the program. Of course the program, it prices emissions but it has other aspects to it in terms of different crediting regimes that could potentially stay. So it's bigger than just a pricing program, and those are all future decisions that would have to be taken depending on what happens at different levels, including with respect to the federal carbon pricing benchmark.

Mr. Clarke: — Thank you, Mr. Wirth. I would like to hear from the minister on this one. Is it the position of the government that the OBPS should be scrapped for industry and the private sector?

[20:00]

Hon. Ms. Tell: — The response to that was given at another committee level, and Mr. Wirth covered that off fairly extensively about what it is and what we would do. So right now, we're dealing with right now. So it's what we are facing today, and it is a carbon tax relief for our industrial emitters. So that's where it is right now, and nothing's changing as of today.

Mr. Clarke: — You referenced this question being answered in another committee. Just for clarity, do you know which

committee that was?

Hon. Ms. Tell: — My understanding was . . . No, I don't know. But I guess you can look in *Hansard*. I don't know.

Mr. Clarke: — Does the province have an absolute reduction target for emissions, greenhouse gas emissions?

Hon. Ms. Tell: — The answer to your question is no.

Mr. Clarke: — Thank you. What role does the ministry play now in fighting fires?

Hon. Ms. Tell: — The ministry doesn't have a role in actual firefighting in the province.

Mr. Clarke: — Does the ministry engage in monitoring blacklegged ticks in the province?

Hon. Ms. Tell: — The ministry helps in the monitoring, but we do not do the work ourselves. So it's designated to another agency.

Mr. Clarke: — Do you know the numbers for, like say, how many blacklegged ticks were found in the province last year? Or the last couple years?

Mr. Murphy: — So with regards to that monitoring and monitoring for any kind of zoonotics, we have a program that's cross-government called the One Health. It involves health, environment, and agriculture agencies in one. And specifically dealing with wildlife, we work with the Canadian Cooperative Wildlife Health Centres across Canada, one of which is in Saskatoon. They collaborate with the Canadian Food Inspection Agency and the federal government's Canadian Wildlife Service as well on monitoring and coordinating.

So the data is actually sent to the Canadian Cooperative Wildlife Health Centre. Veterinarians and health officials can utilize that data to help them with their aspects of it. So we're merely sort of facilitating that utilization, and it's the Cooperative Wildlife Health Centre that's maintaining that information.

Mr. Clarke: — Yeah. I mean my concern around blacklegged ticks is obviously Lyme disease. You know, if you look, as climate warms, blacklegged ticks are able to overwinter in locations where they have not been able to before. If you look at Manitoba, you know, 10 years ago, 15 years ago they did not exist in Manitoba. They were not able to overwinter. And now we see significant populations in a number of locations across southern Manitoba.

So they do appear to be marching slowly to our province, and there will be I think significant health implications for Saskatchewan people with Lyme disease. Being bit by a tick, it's a novel experience to actually contract a disease from a tick bite. So I was just curious as to whether we're monitoring that knowing that it's on our doorstep in Manitoba right now.

In terms of budget around the \$140 million going to SaskPower for clean electricity, does the ministry have any idea as to how that money is going to be spent or does it have any expectations about how that money will be spent? Obviously I understand it's

going to SaskPower but is there any requirement from the ministry?

Hon. Ms. Tell: — So the ministry is still in process with SaskPower developing the actual agreement. However there are a few things that SaskPower will be able to use the grant for: clean electricity power purchase agreements, customer clean electricity and demand-side management programs, importing renewable power, and small modular reactor operating costs.

Mr. Clarke: — Thank you, Minister. Switching gears again, looking at wildlife, I'm wondering if you could tell me the total number of tags for both over-the-counter tags and draw tags for white-tailed deer, mule deer, elk, antelope, and moose for the hunting season in 2023? And I realize that some of those species will not have over-the-counter tags, but that was the easiest way to ask that question.

Mr. Murphy: — Sorry, could I just ask for a point of clarification? Are you requesting the number of tags that were sold or the number that were notionally allocated to those species?

Mr. Clarke: — Sold.

Mr. Murphy: — Sold, okay. Thank you.

Apologies. At my fingertips right now is the revenue, but we can get you the number of sold. Endeavour to do that for you. Thank you.

Mr. Clarke: — Okay.

Mr. Murphy: — So that was for all ungulate species you were asking, I believe?

Mr. Clarke: — Yeah, and could I get . . . My follow-up question was going to be for 2022 as well. Has the ministry seen a decrease in tags? I know you don't have the numbers right in front of you, but perhaps you've looked at the data. Has there been a decrease in tags over the last few years that are being acquired or bought by hunters?

Mr. Murphy: — So in general, we saw a decline during COVID for everything except resident angling. We're seeing a return to pre-COVID levels in a number of our licence sales. For instance, non-resident waterfowl has reached pre-COVID levels again. And we're seeing that trend in a lot of our other resident licence sales, ungulates, upland game birds, etc. But they have not, as of yet, returned to pre-COVID levels for those.

Mr. Clarke: — What kind of feedback has the ministry received from hunters about concerns accessing land in response to the Sask-first no trespassing law?

[20:15]

Mr. Murphy: — So with response to hunter concerns about the passage of the trespass Act, we have heard some concerns expressed, particularly through the wildlife federation as an advocacy group on behalf of hunters, that there have been some impediments to access because of the requirement for permission now.

And we are working with groups like the Saskatchewan Association of Rural Municipalities, the wildlife federation, even Crop Insurance in terms of creating better land access opportunities, creating tools that can be available online for hunters to be able to access lands. But we have heard some concerns that it has created a bit of an impediment for some hunters in some areas, yes.

Mr. Clarke: — How would the ministry recommend hunters get in contact with a landowner who doesn't live, say, in Saskatchewan, or the land is owned by, you know, a numbered company and there's no information given on who owns that piece of land on, say, an RM [rural municipality] map? What advice would you give to hunters?

Mr. Murphy: — So the ministry has always expressed an expectation that hunters seek permission to access land even before the changes to the Act. So we continue to advocate that the same mechanisms would be used, reaching out through neighbours, reaching out through the rural municipalities and others for contact information. It's understandably a difficult circumstance in some cases if there is a non-resident or other, but we ask that they use the same tools that they were using previously to seek permission for access to land.

Mr. Clarke: — Thank you. Do you believe that we've lost the battle on chronic wasting disease in this province?

Mr. Murphy: — With regards to chronic wasting disease in the province, Canadian Food Inspection Agency has declared the province to be endemic, and we recognize that the opportunity to remove the disease from our landscape has passed. However we believe that we can continue to control the spread. It's why we have a budget investment for looking at monitoring, ensuring that we can contain the spread of chronic wasting disease from getting into our forested lands impacting woodland caribou in particular.

So we recognize that there is an endemism to the disease in Saskatchewan that we have to deal with, but we're also still continuing to work on limiting the spread and allowing our various hunting public to be able to check their meat now after they've taken a carcass and submit that for sampling.

Mr. Clarke: — Thank you. I've only got a few more minutes left for this evening, so I've got one more topic I'd like to touch on around air quality. On March 2nd we had a high-risk designation from Environment and Climate Change Canada in terms of a special air quality statement for Regina where we saw high levels of nitrogen oxide. The province is obviously monitoring this. Can someone explain kind of what happened there that morning in terms of what caused the air quality to hit a high-risk category?

Mr. Kotyk: — Hello. Thanks for that question. Wes Kotyk, assistant deputy minister, environmental protection division. So regarding the high air quality health index values in early March, we have a monitoring station in Regina that feeds into the national system that Environment Canada reports. So on that day what we have noticed, that there was a thermal inversion that morning. So it is a weather phenomenon that happens at certain temperatures, certain times of the year, and so that is what happened. It's where the air is trapped and it's not able to disperse like it typically would.

But it's not attributed to any one source, so it could be from transportation . . . Because it was high in nitrogen oxides as well as particulate matter, so it could be from a number of things including vehicle emissions, emissions from buildings, etc. So that is what we have observed for that incident.

Mr. Clarke: — Thank you. Is there modelling that happens at the ministry to predict when a thermal inversion will happen?

Mr. Kotyk: — We don't do weather forecasting in our ministry, but we can identify, you know, or confirm that that has happened once it has.

Mr. Clarke: — So there's currently nothing in place to kind of predict those weather phenomenon. It sounded like from your answer before that, you know, this happens with some frequency at certain times of the year potentially, so there's nothing that kind of is predictive in that.

Mr. Kotyk: — No, and because they are isolated incidents and so it's, it's not like a larger widespread area. And there are times where it happens and the monitors may not detect that as well. So there's a number of factors that would result in being high levels of contaminants or not at any given time.

Mr. Clarke: — From the business plan, there's a quote here to work with Environment and Climate Change Canada and the National Air Pollution Surveillance Program to develop a new memorandum of understanding for the continued collaboration agreement between parties. Just wondering if you can speak to where that MOU [memorandum of understanding] is at.

Mr. Kotyk: — The agreement with Environment and Climate Change Canada, that's been a long-standing agreement. And we typically just renew it when it comes due. So we've been collaborating with Environment and Climate Change Canada for many years on that. And the actual monitoring station that we spoke about that detected the high levels to put the warning for the air quality index, that is one of the monitoring stations that's part of our agreement with Environment and Climate Change Canada.

Mr. Clarke: — Awesome. Thank you.

The Chair: — Last call.

Mr. Clarke: — Okay. So we're coming to the end. I've been told not to ask any more questions. But I'm not going to ask a question, but I'm just going to recap that you are going to endeavour to find me how many acres are currently encompassed in the fish and wildlife development land in how many parcels, and then how much money was spent in the last fiscal year on fencing for fish and wildlife development land, and then the tag numbers for white-tailed, mule deer, elk, antelope, moose for 2022-2023.

[20:30]

Hon. Ms. Tell: — Yes.

Mr. Clarke: — Thank you.

The Chair: — All right. Having reached our agreed-upon time

for consideration of these estimates, we'll proceed to vote on the estimates and supplementary estimates no. 2 for the Ministry of Environment. But before we begin the vote, Minister, if you have closing remarks you'd like to make.

Hon. Ms. Tell: — Other than thank you to the ministry officials, thank you to . . . I mean, they provide the large backbone to the conversations that we have, and their time here. And of course all the committee members, thank you.

The Chair: — Mr. Clarke, if you have any closing remarks.

Mr. Clarke: — I'll just echo the minister's statement. Thank you to the minister and to the deputy ministers and all the rest of folks here. Thank you very much. Sorry you had to put up with me for the last two hours, but I appreciate your commitment to the environment and our province and all the good work that you do.

Thank you to my colleagues for not heckling me during committee, putting up with me, as one member says. And thank you to the Chair and Hansard and the Clerks.

The Chair: — All right. Before we vote off the votes that are before us here this evening, Minister, you and officials are welcome to leave if you'd like.

And we as committee will proceed with vote 26, Environment, found on page 43. Central management and services, subvote (EN01) in the amount of 14,559,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Climate resilience, subvote (EN06) in the amount of 4,924,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Fish, wildlife and lands, subvote (EN01) in the amount of 19,238,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Forest service, subvote (EN09) in the amount of 8,321,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Environmental protection, subvote (EN11) in the amount of 48,727,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Clean electricity transition, subvote (EN19) in the amount of 140,000,000, 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 — 235,769,000. 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, 2025, the following sums for Environment in the amount of \$235,769,000.

Mr. Francis so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Supplementary Estimates — No. 2
Environment
Vote 26**

The Chair: — Supplementary estimates no. 2, 2023-24, vote 26, Environment found on page 12. Environmental protection, subvote (EN11) in the amount of 20,285,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Environment, vote 26 — 20,285,000. 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 20,285,000.

Mr. Harrison moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Does the committee agree with the voting off of the remainder of the estimates and supplementary estimates no. 2 committed to this committee?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Carried.

**General Revenue Fund
Agriculture
Vote 1**

The Chair: — We will begin with vote 1, Agriculture, found on page 27. Central management and services, subvote (AG01) in the amount of 12,584,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Industry assistance, subvote (AG03) in the amount of 4,726,000, 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 5,946,000, 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 33,656,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Programs, subvote (AG09) in the amount of 35,992,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Business risk management, subvote (AG10) in the amount of 431,700,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 2,087,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Agriculture, vote 1 — 568,496,000. 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, 2025, the following sums for Agriculture in the amount of 568,496,000.

Mr. Dennis so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Highways
Vote 16**

The Chair: — Vote 16, Highways, found on page 71, central management and services, subvote (HI01) in the amount of 19,469,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Preservation of transportation system, subvote (HI04) in the amount of 127,389,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Transportation planning and policy, subvote (HI06) in the amount of 4,454,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Infrastructure and equipment capital,

subvote (HI08) in the amount of 403,946,000, 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 156,288,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Strategic municipal infrastructure, subvote (HI15) in the amount of 29,547,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 279,874,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount is to be voted.

Highways, vote 16 — 741,093,000. 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, 2025, the following sums for Highways in the amount of 741,093,000.

Mr. Francis 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, found on page 77. Central management and services, subvote (IC01) in the amount of 14,326,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Immigration, employment and career development, subvote (IC02) in the amount of 13,724,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Training and employer services, subvote (IC03) in the amount of 5,041,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Labour market programs, subvote (IC04) in the amount of 127,189,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 1,764,000. 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 — 160,280,000. 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, 2025, the following sums for Immigration and Career Training in the amount of 160,280,000.

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, found on page 81. Innovation Saskatchewan, subvote (IS01) in the amount of 31,042,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Innovation Saskatchewan, vote 84 — 31,042,000. 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, 2025, the following sums for Innovation Saskatchewan in the amount of 31,042,000.

Mr. Harrison 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, found on page 99. Saskatchewan Research Council, subvote (SR01) in the amount of 41,623,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Saskatchewan Research Council, vote 35 — 41,623,000. 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, 2025, the following sums for the Saskatchewan Research Council in the amount of 41,623,000.

Mr. Dennis: — I so move.

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

Some Hon. Members: — Agreed.

The Chair: — Carried.

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

The Chair: — Vote 90, Trade and Export Development, found on page 115. 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 2,482,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Economic development, subvote (TE03) in the amount of 9,873,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I can't hear you, Mr. Dennis. International engagement, subvote (TE04) in the amount of 19,311,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. That's better. Non-appropriated expense adjustment in the amount of \$150,000. 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 — 40,383,000. 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, 2025, the following sums for Trade and Export Development in the amount of 40,383,000.

Mr. Kirsch 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 found on page 119. Water Security Agency, subvote (WS01) in the amount of 103,638,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Water Security Agency, vote 87 — \$103,638,000. 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, 2025, the following sums for Water Security Agency in the amount of 103,638,000.

Mr. Francis: — I so move.

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

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Supplementary Estimates — No. 2
Agriculture
Vote 1**

The Chair: — We're getting there. Supplementary estimates no. 2, 2023-24, vote 1, Agriculture, found on page 11. Business risk management, subvote (AG10) in the amount of 86,321,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Agriculture, vote 1 — 86,321,000. 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 86,321,000.

Mr. Harrison so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Supplementary Estimates — No. 2
Highways
Vote 16**

The Chair: — Vote 16, Highways, found on page 13. Operation of transportation system, subvote (HI10) in the amount of 23,400,000, is that agreed?

[20:45]

Some Hon. Members: — Agreed.

The Chair: — Carried.

Highways, vote 16 — 23,400,000. 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 23,400,000.

Mr. Dennis so moves. Is that agreed?

Some Hon. Members: — Agreed.

[The committee adjourned at 20:48.]

The Chair: — Carried.

**General Revenue Fund
Supplementary Estimates — No. 2
Saskatchewan Research Council
Vote 35**

The Chair: — Vote 35, Saskatchewan Research Council, found on page 14. Saskatchewan Research Council, subvote (SR01) in the amount of 5,000,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I will now ask a member . . . Oh, Saskatchewan Research Council, vote 35 — 5,000,000. 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 \$5,000,000.

Mr. Kirsch so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Yes. Pretty soon. Almost there, folks. Pretty good. Around 15 minutes.

Committee members, committee members, you have before you a draft of the seventh report of the Standing Committee on the Economy. We require a member to move the following motion:

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

I recognize Mr. Francis.

Mr. Francis: — Thanks, Madam Chair. I move:

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

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

That concludes the committee's business for this evening, and I would ask a member to move a motion of adjournment.

Mr. D. Harrison: — I so move.

The Chair: — Mr. Harrison so moves. Is all agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned to the call of the Chair.