

Ministry of Energy and Resources



Plan for 2019-20

Table of Contents

Statement from the Minister 1

Response to Government Direction 2

Operational Plan 3

Highlights..... 7

Financial Summary 8

Statement from the Minister



*The Honourable
Bronwyn Eyre*

*Minister of Energy
and Resources*

I am pleased to present the Ministry of Energy and Resources' Plan for 2019-20.

Government Direction and Budget for 2019-20 is focused on *The Right Balance* for Saskatchewan. We are returning to a balanced budget with sound fiscal management while keeping taxes low, supporting economic growth and ensuring quality government programs and services for people and businesses in Saskatchewan. Our Ministry's Plan fundamentally incorporates these principles.

Our Plan demonstrates where, and how, the Ministry will carry out its role to oversee and enable the responsible economic development of Saskatchewan's natural resource sectors for the fiscal year. This is an important mandate given the impact and economic value of these sectors to the province of Saskatchewan. As a result, the responsibility for regulatory oversight of our energy and resource sectors is significant. Our Ministry is accountable for overseeing a competitive royalty framework, as well as the transparent policies upon which it is based.

The Ministry works to attract strategic investments by standing up for Saskatchewan's resource industries and promoting our opportunities for development. For example, we will continue to consult with our oil and gas industry to deliver incentive programs, such as the Waterflood Development Program, which will enhance our province's competitiveness while sustaining the life of oil wells and supporting jobs and investment. Our Plan will also achieve the right balance by delivering a results-based approach to emissions reductions through the Ministry's *Methane Action Plan*, while also supporting innovation and value-added initiatives such as the Oil and Gas Processing Investment Incentive and the Saskatchewan Petroleum Innovation Incentive.

The Fraser Institute's *Annual Survey of Mining Companies*, 2018 ranked Saskatchewan the number-one jurisdiction in the world for the integrity of its mining policies and third in the world, number-one in Canada, for mining investment attractiveness. We are proud of our ranking and will continue to work to maintain a stable and competitive regulatory structure while ensuring that Saskatchewan people receive the best value for their natural resources.

By enabling these sectors to continue to drive our economic growth, the principles and objectives outlined in this Plan will support our Government's strategy to meet its fiscal challenges and provide the right balance for Saskatchewan.

Response to Government Direction

The Government of Saskatchewan is committed to having *The Right Balance*. We will continue to carefully manage spending and focus on government priorities, such as competitive taxes, investments in economic growth and providing programs and services that meet the needs of Saskatchewan people and businesses.

Saskatchewan's Vision

"... to be the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life."

Sustaining growth and opportunities for Saskatchewan people

Meeting the challenges of growth

Securing a better quality of life for all Saskatchewan people

Delivering responsive and responsible government

Saskatchewan's Vision and goals provide the framework for ministries, agencies and partners to align their programs and services and meet the needs of Saskatchewan's residents.

All organizations will report on progress in their 2019-20 annual reports.

Operational Plan

Mandate Statement

The Ministry of Energy and Resources develops, coordinates, and implements policies and programs to promote the growth and responsible development of the province's natural resource industries. The Ministry operates as the primary regulatory authority for the oil and gas industry and ensures competitive royalty systems, regulations and policies for all natural resource sectors. The Ministry also plays an important role in promoting Saskatchewan's diverse resource potential to investors around the world.

Mission Statement

To advance and regulate responsible resource development.

Government Goals



Strategic priority from the *Saskatchewan Plan for Growth*: sustaining growth and opportunities for Saskatchewan people.

Ministry Goal

Promote a competitive environment for responsible natural resource exploration and development.

Strategy

Royalty systems, regulations and policies make Saskatchewan's investment climate competitive with rival jurisdictions and responsive to price cycles.

Key Actions

- Maintain and monitor royalties, taxes and regulations to ensure a competitive environment.
- Produce accurate revenue and economic forecasts to help elected officials make informed financial decisions.
- Improve filing of resource revenues through education, outreach and audit activities.
- Review regulations and programs to reduce barriers to new investment.

Strategy

Develop policies that support innovation, development and conservation of natural resources.

Key Actions

- Implement the *Methane Action Plan*, a suite of programs and policies, to support industry in methane emissions reduction.
 - Implement and administer the *Waterflood Development Program*, *Oil and Gas Processing Investment Incentive* and the *Saskatchewan Petroleum Innovation Incentive*.



Strategy

Increase natural resource production by working with stakeholders and other ministries to identify and address infrastructure, regulatory and trade impediments to natural resource development and market access.

Key Actions

- Increase engagement with companies to advance the growth and diversification of resource industries.
 - In partnership with the Ministry of Trade and Export Development, promote Saskatchewan's competitive position at industry events and opportunities such as Saskatchewan Geological Open House, Global Petroleum Show, NAPE Upstream Oil and Gas Expo, Mineral Exploration Roundup, Prospectors & Developers Association of Canada (PDAC), and the Williston Basin Petroleum Conference.
- Identify investment opportunities based on Saskatchewan's competitive advantages.
- Engagement with industry to identify and prioritize impacts to Saskatchewan's competitive position.
- Ensure stakeholders have access to high quality, easily-accessible geoscience information to facilitate the responsible exploration and development of resources.
- Support the Mineral Development Strategy by increasing uptake for the Targeted Mineral Exploration Incentive and providing new geophysical data to encourage mineral exploration.
- Consistently deliver the Petroleum Tenure and Subsurface Mineral Rights Public Offering Program to facilitate exploration and production.

Performance Measures

Saskatchewan Oil Production

Increase oil production levels, with a target of 174.3 million barrels in 2019-20.

Saskatchewan Mineral Production

Increase mineral production sales, with a target of \$10.6 billion in 2019-20.

Saskatchewan Provincial Forest Timber Harvest

Increase timber harvest levels, with a target of 4.2 million cubic meters in 2019-20.

Fraser Institute Global Petroleum Survey Policy Perception Index

Number one Canadian ranking in the Fraser Institute Global Petroleum Survey policy perception index in 2019-20.

Fraser Institute Survey of Mining Companies Investment Attraction Index

Top three world ranking in the Fraser Institute Survey of Mining Companies investment attractiveness index in 2019-20.

Exploration Expenditures

Achieve at least 10 per cent of total Canadian mineral exploration expenditures.



Government Goals



Strategic priority from the *Saskatchewan Plan for Growth*: sustaining growth and opportunities for Saskatchewan people.

Ministry Goal

Achieve regulatory excellence in support of the responsible development of Saskatchewan's non-renewable mineral resources.

Strategy

Adopt a risk-based, outcome-oriented approach to the development and delivery of regulatory programs.

Key Actions

- Implementation of the regulatory regime for reducing greenhouse gas emissions from the upstream oil and gas industry, *The Oil and Gas Emissions Management Regulations, 2018*.
- Continue to strengthen Saskatchewan's approach to pipeline regulation through the implementation of the Pipeline Regulation Enhancement Program.
- Establish and operate the Western Regulator Forum Secretariat role to further promote collaboration and alignment of priorities among oil and gas regulators in Western Canada.

Strategy

Deliver efficient regulatory programs with a focus on client service.

Key Actions

- Build the single window to be a one-stop regulatory service for the oil and gas industry.
 - Expand the Integrated Resource Information System (IRIS) to include pipeline and facility licensing, liability management programs and self-service for enhanced oil recovery reporting.
- Continue to update and modernize regulations and directives to address regulatory risks.

Strategy

Build public confidence in industry regulation through transparency, accountability and engagement.

Key Actions

- Expand public access to regulatory information.
 - Further development of *Saskatchewan.ca* to improve public access to regulatory information.
 - Develop a public facing dashboard for incident, inspection and performance reporting.
- Effectively manage the abandonment, decommissioning and remediation of oil and gas wells and mines.
 - Continue to develop a risk-based monitoring and audit program targeted to wells, facilities and pipelines.
 - Provide oversight of the remediation of the abandoned Gunnar and satellite mine sites.



Performance Measures

Turnaround Time

Turnaround times for various applications through the IRIS.

Government Goals



Strategic priority from the *Saskatchewan Plan for Growth*: delivering responsive and responsible government.

Ministry Goal

Achieve organizational excellence.

Strategy

Ensure fiscal responsibility, balanced budgets, and a more effective government through continuous improvements.

Key Actions

- Exercise prudent fiscal management.
- Robust strategic and operational planning that supports the most efficient allocation of financial and human resources.
 - Strengthen the Ministry's strategic planning and initiatives function.
 - Establish IT management and planning structures to address current and future priorities for clients in the delivery and development of regulations.

Strategy

Create an environment that is client-focused, which fosters engagement at all levels and high performing development.

Key Actions

- Implementation of a responsive plan to address areas for opportunity from 2018-19 employee safety and engagement surveys.
 - Including: emphasis on increasing senior leadership visibility, focus on employee recognition, and further encouraging innovation.
- Build capacity for a workplace that is inclusive, respectful and fosters diversity.
- Develop a leadership development and recruitment strategy.

Performance Measures

Employee Engagement

High engagement of the Ministry's employees is reflected in an employee engagement index which is higher than its interjurisdictional peers.

Employee Safety

The Ministry's commitment to employee safety is reflected in a psychological safety index which is higher than its interjurisdictional peers.

Highlights

2019-20 Budget Highlights

The Ministry of Energy and Resources' budget for 2019-20 is focused on striking *The Right Balance* to carefully manage spending while also investing in needed services, programs and infrastructure for the responsible economic development of Saskatchewan's natural resource industries.

Highlights of the Ministry budget include:

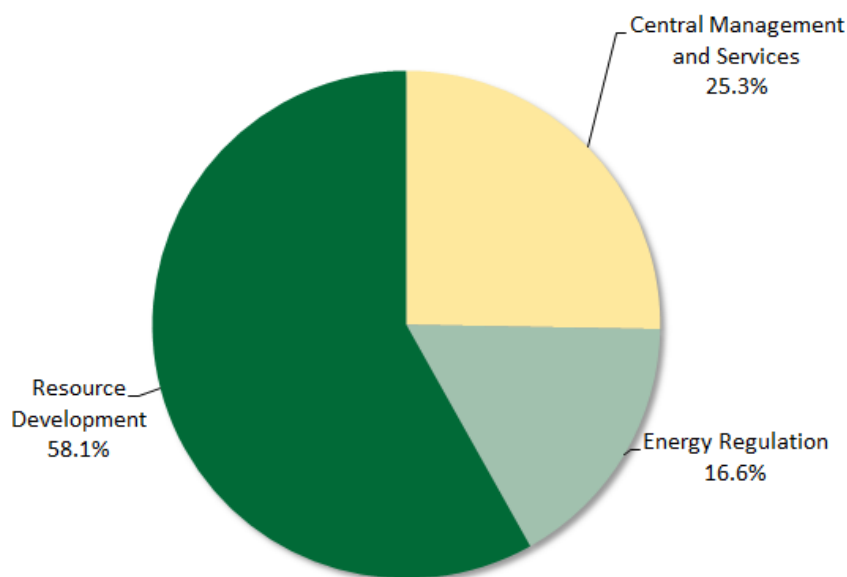
- additional funding towards amortization for the implementation of some enhancements to the Integrated Resource Information System (IRIS) to ensure it provides efficient services to the oil and gas industry; and
- a funding increase to the Surface Rights Board of Arbitration to address ongoing operational pressures.

Financial Summary

2019-20 Estimates	(in thousands of dollars)
Central Management and Services	20,110
Energy Regulation	13,206
Resource Development	46,231
Total Appropriation	79,547
Remediation of Contaminated Sites	(33,750)
Capital Asset Acquisitions	(2,775)
Non-Appropriated Expense Adjustment	3,338
Total Expense	46,360

For more information, see the Budget Estimates at: <http://www.saskatchewan.ca/budget>

Ministry of Energy and Resources, Budget 2019-20



For More Information

Please visit the Ministry's website at <http://www.saskatchewan.ca/government/government-structure/ministries/energy-and-resources>