

Business Plan

2022-23

MINISTRY OF ENERGY AND RESOURCES

Saskatchewan! 

Statement from the Minister



The Honourable Bronwyn Eyre
Minister of Energy and Resources

I am pleased to present the 2022-23 Business Plan for the Saskatchewan Ministry of Energy and Resources (ER).

The ER Ministry's role is to oversee and enable the growth and responsible development of Saskatchewan's natural resource sectors, primarily oil and gas, mining, and forestry. This plan outlines ER's approach for the current fiscal year.

This is a mandate of significant importance in Saskatchewan, with oil and gas accounting for more than 15 per cent of the province's GDP. Saskatchewan is a world leader in the use of carbon capture, utilization and storage (CCUS) and enhanced oil recovery (EOR) technology, with more than 40 million tonnes of carbon dioxide sequestered, resulting in over 100 million barrels of incremental oil production.

This year's plan highlights several ways that the Government of Saskatchewan will further support our energy sector with the implementation of policies and programs that support innovation, development, and conservation of natural resources. They include pursuing our *CCUS Priorities* and incentives such as the *Oil Infrastructure Investment Program* (OIIP), the *Oil and Gas Processing Investment Incentive* (OGPII) and the *Saskatchewan Petroleum Innovation Incentive* (SPII).

Mining is also important to our province, which is a recognized world leader in the production of potash and high-grade uranium. Saskatchewan is also a significant producer of gold and has 23 critical minerals, including helium, lithium, copper, zinc, nickel, cobalt and rare earth elements.

Saskatchewan is now home to Canada's largest helium purification plant, which is now producing more than 50 million cubic feet of helium per year. The Government of Saskatchewan has set an ambitious target to produce ten per cent of the world's total helium demand by 2030, which is supported by the recently launched *Helium Action Plan: From Exploration to Exports*.

Forestry has also been, and continues to be, a crucial sector for this province; and there is renewed focus on it as a result of several new investments, which will continue to add value to the economy and deliver thousands of jobs across the supply chain.

The goals and objectives outlined in this plan will ensure that Saskatchewan continues to be a world leader in the provision of the natural resources that our world needs.

2022-23 Budget Highlights

1	Continued funding for the third year of the \$400 million Accelerated Site Closure Program, previously announced as part of the federal COVID-19 Economic Response Plan.
2	Funding the automation of helium and non-hydrocarbon gas administration to support the diversification of Saskatchewan's natural resource sector.
3	Funding to enhance Geoscience Data Management to improve competitiveness across Saskatchewan's natural resource sector, as outlined in the Growth Plan.
4	Funding to continue enhancements to the Integrated Resource Information System (IRIS) to provide improved, effective and efficient services to the oil, gas and natural resource industries.
5	Continued funding for the Cleanup of Abandoned Northern Sites (CLEANS) project.



Response to Government Direction

Saskatchewan is back on track. The Government of Saskatchewan is protecting and strengthening our province, carefully managing spending while investing in priority programs and services and into a strong and growing economy. Government is helping build a better Saskatchewan, investing in needed infrastructure – hospitals, schools, highways and municipal and crown capital projects.

Saskatchewan's financial picture is improving, with a fiscal plan to return the budget to balance. The resurgent economy helps ensure the services, programs and infrastructure Saskatchewan people value are sustainable today and into the future. Saskatchewan is back on track.

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.”

>> Government Goals

A Strong Economy

Strong Communities

Strong Families

Saskatchewan's vision and three goals provide the strategic direction for organizations to align their programs and services to build a strong Saskatchewan.

All organizations will report on progress in their 2022-23 annual reports.

Mandate

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

To advance responsible resource development.

Vision

Saskatchewan is the best place in Canada to develop natural resources.

Goal 1: Grow natural resource exploration and development

Growth in resource development is a key component in Saskatchewan's Growth Plan: The Next Decade of Growth, 2020-2030. As outlined in the Growth Plan, Saskatchewan's natural resource industries are instrumental to the province's economic growth. The oil and gas industry is the largest sector of Saskatchewan's economy and will continue to meet worldwide energy demands for decades to come. Saskatchewan is also a global leader in the uranium and potash markets, an emerging producer of helium and lithium, and home to over 20 minerals identified in the Canadian critical minerals list. In addition, forestry is northern Saskatchewan's largest industry and is a significant contributor to the province's economy. Growing sustainable and responsible development in Saskatchewan's natural resource industries is a top priority for the Ministry.

Strategy: *The approach we will take to achieve our goal*

Protect and enhance competitiveness.

Key Actions: *What we will do to get there*

- Encourage exploration and development and ensure a competitive royalty and taxation environment for natural resources, including strategic minerals and metals.
- Continue implementing deliverables from the *Helium Action Plan: From Exploration to Exports* to support the development of the helium industry in the province.
- Work collaboratively with industry stakeholders through the Forestry Sector Competitiveness Committee to address barriers to the growth of forestry in Saskatchewan.
- Ensure Crown mineral rights tenure acquisition and administration programs facilitate the exploration and development of our natural resources.
- Continue working with rural municipal and industry stakeholders to explore the concept of a Single-Window online interface for municipal permitting and invoicing in the oil and gas sector.

Strategy: *The approach we will take to achieve our goal*

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

Key Actions: *What we will do to get there*

- Continue the implementation the *Oil Infrastructure Investment Program (OIIP)*, *Oil and Gas Processing Investment Incentive (OGPII)* and *Saskatchewan Petroleum Innovation Incentive (SPII)* to support increased production, new value-added processing, emissions abatement, innovation commercialization and developing emerging resource sectors.
- Optimize Saskatchewan's regulatory and policy environment to promote exploration, increase primary production and encourage the application of enhanced recovery methods in the oil and gas sector.
- Continue the implementation of the *Methane Action Plan (MAP)* to support increased capture and commercialization of methane, natural gas and other emissions management projects, while sustaining the long-term economic viability of the energy sector.
- Ensure the associated gas royalty system aligns with the province's goal of capturing and commercializing greater volumes of methane.
- Ensure forestry legislation, regulations, timber harvesting licenses and other policies promote and facilitate optimal use of the provincial timber supply.
- Ensure that Saskatchewan's mining sector is incentivized to develop, adopt and scale new and emerging technologies.

- Ensure the regulatory environment can meet the needs of emerging development initiatives in the areas of helium, hydrogen, lithium, geothermal and other brine-based trace minerals.

Strategy: *The approach we will take to achieve our goal*

Attract investment through rigorous stakeholder engagement.

Key Actions: *What we will do to get there*

- Promote Saskatchewan's competitive position at industry events and opportunities. Such as the Saskatchewan Geological Open House, North American Prospect Expo for Oil and Gas, Williston Basin Petroleum Conference, AME Mineral Exploration Roundup, Prospectors and Developers Association of Canada Annual Convention and the Global Petroleum Show.
- Work with Saskatchewan's natural resource sectors to remove red tape and barriers to economic growth and investment.
- Advance options in Carbon Capture Utilization and Storage (CCUS) for industrial and resource sectors to increase investment in CCUS and Enhanced Oil Recovery (EOR).

Strategy: *The approach we will take to achieve our goal*

Deliver high-quality, readily accessible geoscience information to promote investment in, and diversification of, Saskatchewan's mineral and petroleum resource sectors.

Key Actions: *What we will do to get there*

- Timely release of new geoscience information summarizing current research activities.
- Perform new, strategically targeted airborne geophysical surveys, and undertake generative geoscience investigations.
- Continue to administer the *Targeted Mineral Exploration Incentive* (TMEI) to encourage exploration for gold, base metals and diamonds.
- Establish an integrated system for the collection, management and distribution of Saskatchewan's public geoscience data.

Performance Measures: *What Success Looks Like*

Saskatchewan Forest Products Production

Increase the value of Saskatchewan forest products sales to \$2.2 billion by 2030, with an annual value of forest product sales of \$1.1 billion in 2022-23.

Saskatchewan Mineral Production

Increase the value of Saskatchewan potash sales to \$9.0 billion by 2030, with an annual value of Saskatchewan potash sales of over \$8.0 billion in 2022-23.

Saskatchewan Uranium Production

Increase the value of Saskatchewan uranium sales to \$2.0 billion by 2030, with annual value of Saskatchewan uranium sales of over \$700 million in 2022-23.

Saskatchewan Oil Production

Increase oil production to 600,000 Barrels Per Day by 2030, with a target of 455,000 Barrels Per Day in 2022-23.

Fraser Institute Global Petroleum Survey Policy Perception Index

Achieve number one Canadian ranking in the Fraser Institute Global Petroleum Survey policy perception index in 2022-23.

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 2022-23.

Goal 2: Pursue regulatory excellence in support of resource development

Industries seek predictability, clarity and competitiveness in investment and business operation environments. Many resource development projects are large-scale, multi-year, multi-billion-dollar investments. A rapidly changing regulatory environment challenges investment decisions and hurts Saskatchewan's competitiveness. The Ministry will continue to pursue regulatory excellence in support of the Growth Plan commitments to reduce government red tape for businesses, to support industry development and investment and to maintain a competitive regulatory environment.

Strategy: *The approach we will take to achieve our goal*

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

Key Actions: *What we will do to get there*

- Continue to ensure the effectiveness of the Oil and Gas Emissions Management Regulations (OGEMR) to reduce greenhouse gas (GHG) emissions from the upstream oil and gas industry, meet Provincial objectives and retain jurisdiction over the industry.
- Continue to enhance liability management programs, including end-of-life asset management.
- Work with other resource regulators and industry partners to identify opportunities for collaboration and information sharing and develop strategies and tools to address identified risks.
- Build investigation capacity and integrate into incident response and follow-up programs.

Strategy: *The approach we will take to achieve our goal*

Deliver efficient regulatory programs with a focus on client service.

Key Actions: *What we will do to get there*

- Continue to update and modernize regulations and directives to address regulatory risks.
- Work with Saskatchewan's resource industries to remove regulatory red tape and barriers.
- Strengthen single window services for wells and begin gathering requirements for improvements.
- Establish and implement a new system to assess oil and gas reserves.

Strategy: *The approach we will take to achieve our goal*

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

Key Actions: *What we will do to get there*

- Continue the implementation of the Accelerated Site Closure Program (ASCP), utilizing \$400 million in federal funding, to conduct well and facility abandonment and site remediation and reclamation.
 - Execute contracts for the Phase 3 of the ASCP.
 - Continue the implementation of the First Nations Stewardship Fund and the Indigenous Business Credit Pool.
- Expand public access to regulatory information.
 - Improve public access to regulatory information on Saskatchewan.ca.

- Effectively manage the abandonment, decommissioning and remediation of oil and gas wells and mines.
 - Continue to accept new sites into the Institutional Control Program (ICP).
 - Provide oversight of the remediation of the abandoned Gunnar and satellite mine sites.
- Ensure regulatory and permitting decisions are clear, consistent, predictable and timely to support industry investment decisions and community engagement.
- Continue to review and update regulatory rules and processes to support industry oversight and resource development.

Performance Measures: *What Success Looks Like*

Reduction of GHG Emissions

Reduce methane-based GHG emissions by 4.5 million tonnes of carbon dioxide equivalent annually by 2025.

Cleanup of Abandoned Northern Sites (CLEANS)

The CLEANS project annual budget variance has a target of +/-5 per cent, in addition to total project costs being managed within the established liability.

Accelerated Site Closure Program (ASCP)

Maintain a pace of completed work under the ASCP in fiscal year 2022-23 to fully deploy all available funding over the life of the program.

Maintain a pace of completed work under the ASCP in fiscal year 2022-23 to support 2,100 full-time equivalent jobs in the oil and gas service industry over the life of the program.

Goal 3: Achieve organizational excellence

Saskatchewan's Growth Plan is focused on growing a strong economy, including growing Saskatchewan's natural resource advantage and improving competitiveness across Saskatchewan's natural resource sectors. Achieving organizational excellence ensures the Ministry of Energy and Resources is responsive, adaptable and effective in meeting client needs. The Ministry will provide timely client services and develop new services or supports as needed.

Strategy: *The approach we will take to achieve our goal*
Support world-class information systems.

Key Actions: *What we will do to get there*

- Automate functions in the Integrated Resource Management System (IRIS) to support helium development in the province.
- Expand IRIS to support implementation of the Financial Security and Site Closure Regulations (FSSCR).
- Establish a Project Management Office to strengthen oversight and delivery of IT projects.

Strategy: *The approach we will take to achieve our goal*
Exercise operational leadership.

Key Actions: *What we will do to get there*

- Expand data availability to advance business intelligence (BI) and data analysis to further support decision making within the Ministry.
- Focus on continued delivery of efficient organizational processes and programs.
- Ensure accurate and timely financial reporting to inform strategic and operational performance.

Performance Measures: *What Success Looks Like*

Client Inquiries

Reduce client inquiries by 80 per cent and reduce client inquiry response time by 40 per cent, from 24 days (2020-21 average) to 14 days, through modernization of the Mineral Rights Tax program.

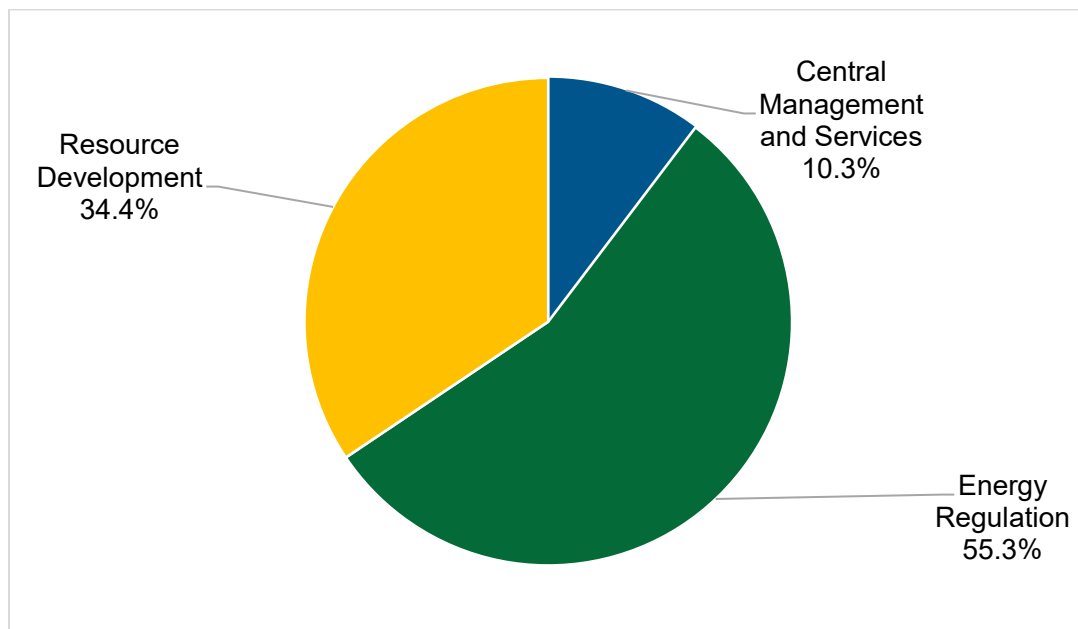
Service Desk Case Closure Rate

Reduce unresolved case rate to 6 per cent or lower within the prescribed target based on priority level assignment.

Financial Summary

Ministry of Energy and Resources 2022-23 Estimates (\$159.583 million) (in thousands of dollars)	
Central Management and Services	\$23,250
Energy Regulation	\$124,483
Resource Development	\$77,490
Total Appropriation	\$225,223
Remediation of Contaminated Sites	\$(65,767)
Capital Asset Acquisitions	\$(3,822)
Capital Asset Amortization	\$3,949
Total Expense	\$159,583

Ministry of Energy and Resources 2022-23 Budget by Division



Links to More Information

[Ministry of Energy and Resources](#)

[Government of Saskatchewan Budget, Planning and Reporting](#)