

Business Plan

2023-24

MINISTRY OF ENERGY AND RESOURCES

Saskatchewan! 

Statement from the Minister



*The Honourable Jim Reiter
Minister of Energy and Resources*

I am pleased to present the 2023-24 Business Plan for the Saskatchewan Ministry of Energy and Resources.

The Ministry's mandate is to promote the growth and responsible development of the province's natural resource industries. As the world experiences market volatility for various commodities due to shifting geopolitical dynamics, Saskatchewan has a key role to play as a trusted and sustainable supplier. The Ministry of Energy and Resources' 2023-24 Budget and Business Plan builds upon our position as a global leader in critical minerals while ensuring financial sustainability in the oil and gas sector.

Saskatchewan's success in potash and uranium production already accounts for 12 per cent of provincial gross domestic product. We have occurrences of 23 of the 31 minerals on Canada's critical minerals list. Saskatchewan also produces helium and is home to numerous under-explored occurrences of Canada's other critical minerals, including significant potential for rare earth elements, lithium, copper, nickel, zinc, and platinum group elements, among others.

Critical minerals are essential for our modern way of life and in short supply around the world. They are essential for electronic devices such as smart phones and are key inputs in clean electricity technologies. Saskatchewan is ready to support the surging global demand for critical minerals.

Three existing programs have been enhanced to drive investment in Saskatchewan's critical mineral projects. We are expanding the Targeted Mineral Exploration Incentive to include exploration drilling for all hard-rock minerals and increasing the funding limit to support emerging commodities. The Saskatchewan Mineral Exploration Tax Credit has also been increased from 10 to 30 per cent.

Robust geoscience data is key to explorers considering investing in Saskatchewan. We are increasing funding to improve technology and automation in this area. Doing so will allow geoscientists to compile and analyze broader amounts of data with the most up-to-date information available for industry and investors.

Energy and Resources has a strong history of regulatory excellence that continues in 2023-24. This year, we will begin implementing the *Financial Security and Site Closure Regulations*. These regulations are designed to ensure that in the future the public does not become exposed to the costs of cleaning up orphaned oil and gas liabilities.

The following pages outline a detailed plan for 2023-24 that focuses on innovation and sustainable progress for sectors and communities across the province.



2023-24 Budget Highlights

1	Commitment of \$4 million to support new critical minerals through the expansion of the Targeted Mineral Exploration Incentive and enhancing the Saskatchewan Mineral Exploration Tax Credit.
2	\$2.4 million in second-year funding to enhance Geoscience Data Management to improve competitiveness across Saskatchewan’s natural resource sector, as outlined in the Growth Plan.
3	\$200,000 increase to implement the <i>Financial Security and Site Closure Regulations</i> that come into effect in 2023 to reduce the prospect of new orphan oil and gas infrastructure.
4	Successful completion of the \$400 million Accelerated Site Closure Program, which supported Saskatchewan’s oil and gas service sector workers through the abandonment and reclamation of inactive oil and gas sites across the province. As a result of the program completion, this will mean a decrease of \$112 million in federal funding.

Government Vision and Goals

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 2023-24 annual reports.

Ministry of Energy and Resources Overview

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 of Energy and Resources 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 of Energy and Resources 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 overall 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 has occurrences of over 20 minerals identified in Canada's critical minerals list. In addition, forestry is northern Saskatchewan's largest industry and is a significant contributor to the province's economy. Sustainable and responsible growth in Saskatchewan's natural resource industries is a key priority for the Ministry of Energy and Resources.

Strategy: *The approach we will take to achieve our goal*
Analyze and enhance competitiveness.

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

- Support critical minerals development to enhance Saskatchewan's position as a global leading, secure and sustainable supplier.
- Continue to implement deliverables from the *Helium Action Plan: From Exploration to Exports* to support the development of the helium industry in Saskatchewan.
- Work collaboratively with industry stakeholders through the Forestry Sector Competitiveness Committee to address barriers to the growth of forestry in Saskatchewan.
- Amend and clarify regulations to support investment and provide certainty around pore space ownership, access, unitization of high-potential enhanced oil recovery plays and long-term obligations and accountability for carbon dioxide storage.
- Continue to explore opportunities for increased Indigenous engagement and participation in the natural resources sector.
- Engage stakeholders to understand the current state of business transactions between rural municipalities (RMs) and the upstream oil and gas sector and identify mutually beneficial opportunities to modernize and streamline interactions (the RM Single Window Project).
- Continue to advance Saskatchewan's interests and protect Saskatchewan's jurisdiction over natural resource development in engagements with the federal government.

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

Create a policy environment that advances the innovative development and diversification of the natural resource sector.

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

- Enhance the Targeted Mineral Exploration Incentive (TMEI) to support exploration drilling for all hard-rock minerals in Saskatchewan and increase the funding limit to support emerging commodities.
- Increase the Saskatchewan Mineral Exploration Tax Credit from 10 to 30 per cent to drive investment in Saskatchewan exploration activities by Saskatchewan-based investors.
- Continue to advance Saskatchewan’s strategic priorities for carbon capture utilization and storage (CCUS) for industrial and resource sectors to increase investment in CCUS and enhanced oil recovery.
- Continue to implement and assess the effectiveness of the Methane Action Plan, in support of methane capture and commercialization projects and other emissions management projects.

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

Attract investment through accessible, high-calibre data, geoscience information and effective stakeholder engagement.

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

- Support mineral and petroleum exploration through timely release of new geoscience information summarizing current research activities.
- Work collaboratively with industry stakeholders to monitor and respond to new critical minerals development opportunities in Saskatchewan.
- Review the EOR potential of Saskatchewan’s oil reservoirs.
- Support the Government of Saskatchewan’s investment attraction efforts in Saskatchewan’s natural resource sectors at industry events and opportunities in partnership with the Ministry of Trade and Export Development.

Performance Measures: *What success looks like*

Saskatchewan Forest Products Sales

Increase the value of Saskatchewan forest products sales to \$2.2 billion by 2030, with an annual value of Saskatchewan forest product sales of \$1.3 billion in 2023-24.

Saskatchewan Potash Sales

Increase the value of Saskatchewan potash sales to \$9 billion by 2030, with an annual value of Saskatchewan potash sales of over \$8 billion in 2023-24.

Saskatchewan Uranium Sales

Increase the value of Saskatchewan uranium sales to \$2 billion by 2030, with annual value of Saskatchewan uranium sales of over \$800 million in 2023-24.

Saskatchewan Oil Production

Increase oil production to 600,000 barrels per day by 2030, with a target of 460,000 barrels per day in 2023-24.

Fraser Institute Global Petroleum Survey Policy Perception Index

Achieve number one Canadian ranking in the Fraser Institute Canada-US Energy Sector Competitiveness Survey in 2023.

Fraser Institute Survey of Mining Companies' Investment Attraction Index

Achieve top three world ranking in the Fraser Institute Survey of Mining Companies' investment attractiveness index in 2023.

Helium Producing Wells and Purification/Liquefaction Facilities

Increase the number of helium producing wells and purification/liquefaction facilities to 150 wells and 15 facilities by 2030, with a target of 15 new wells and five new facilities in 2023-24.

Goal 2: Pursue Regulatory Excellence in Support of Resource Development

Industry needs clear and predictable regulations to guide long-term decisions and financial commitments. Many resource development projects are large-scale, multi-year, and multi-billion-dollar investments. A rapidly changing regulatory environment challenges investment decisions and can negatively impact Saskatchewan's competitiveness. The Ministry of Energy and Resources will continue to achieve regulatory excellence in support of the Growth Plan commitments to reduce government red tape for businesses, to support responsible resource development and to attract investment and maintain a competitive regulatory environment.

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

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

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

- Implement and administer key programs under the *Financial Security and Site Closure Regulations* to reduce the prospects of new orphan oil wells and infrastructure.
- Pursue changes to the program delivery model of the Saskatchewan Oil and Gas Orphan Fund in order to help meet demands of fluctuations in orphan well numbers.
- Maintain jurisdiction over greenhouse gas emissions (GHG) from the upstream oil and gas sector by continuing to effectively implement *The Oil and Gas Emissions Management Regulations* and through on-going monitoring and research.
- Continue to develop risk-based data analytics to support regulatory focus and improvement opportunities.

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

Pursue initiatives that contribute to sustained public confidence in industry regulation, strengthened client service and the delivery of efficient and effective regulatory programs.

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

- Expand current regulatory enhancement engagement practices to ensure a broad range of input is sought and that the regulatory framework can meet the needs of emerging opportunities in the natural resource sectors.
- Work with Saskatchewan's resource industries to remove regulatory red tape and barriers.
- Continue to enhance the Integrated Resource Management System to facilitate ease of use and compliance with regulatory requirements.
- Build upon strong relationships with industry to identify opportunities to support service delivery and enhance operational practices at the field level.
- Enhance compliance management practices to improve efficiency, transparency and consistency in decision-making processes and in application.
- Effectively manage legacy abandonment, decommissioning and remediation of mines in the Uranium City area and continue to manage the sites administered under *The Reclaimed Industrial Sites Act*.

Performance Measures: *What success looks like*

Clean-up of Abandoned Northern Sites (CLEANS)

The CLEANS project will continue to be managed within the established liability (+/- 5 per cent).

Reduction of GHG Emissions

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

Inactive Liability Reduction

Enforce industry retirement of five per cent of inactive liabilities in 2023 and an estimated six per cent in 2024.

Goal 3: Achieve Strategic and Operational 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 strategic and operational 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 and supports as needed.

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

Support a strong inclusive culture and engaged workforce.

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

- Promote engaging opportunities for staff to connect, share innovative ideas and attend learning opportunities.
- Pursue recognition opportunities to acknowledge employees' hard work and dedication to the public service.
- Promote the 2023-24 Employee Engagement and Culture Survey to staff and based on feedback, create an action plan to continually enhance engagement and excellence.

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

Support a safe and healthy working environment.

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

- Continue to implement the Ministry of Energy and Resources' two-year plan dedicated to mental health awareness and prevention of workplace psychological harm, in support of the Government of Saskatchewan's Healthy Workplaces initiative.
- Work with the Physical and Psychological Safety Committee to ensure the workplace is safe and free of hazards.

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

Continuously improve operational performance, service delivery and financial management.

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

- Ensure timely delivery of Information Technology projects.
- Advance the Ministry of Energy and Resources' business intelligence, data management and governance framework to meet evolving client needs and support decision-making to achieve business outcomes.

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

Improve client service delivery through innovative solutions.

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

- Continue to leverage enterprise solutions to support business needs.
- Continue to invest in improvements to the Integrated Resource Management System (IRIS) to support rapid industry growth and maintain a competitive edge.
- Investigate opportunities to implement Program 2030, a multi-year program that plans to expand IRIS to meet the needs of emerging commodities in Saskatchewan's natural resource sectors.

Performance Measures: *What success looks like*

Client Inquiry Response Time

Reduce response time for client inquiries regarding the Mineral Rights Tax by 30 per cent.

Service Desk Case Closure Rate

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

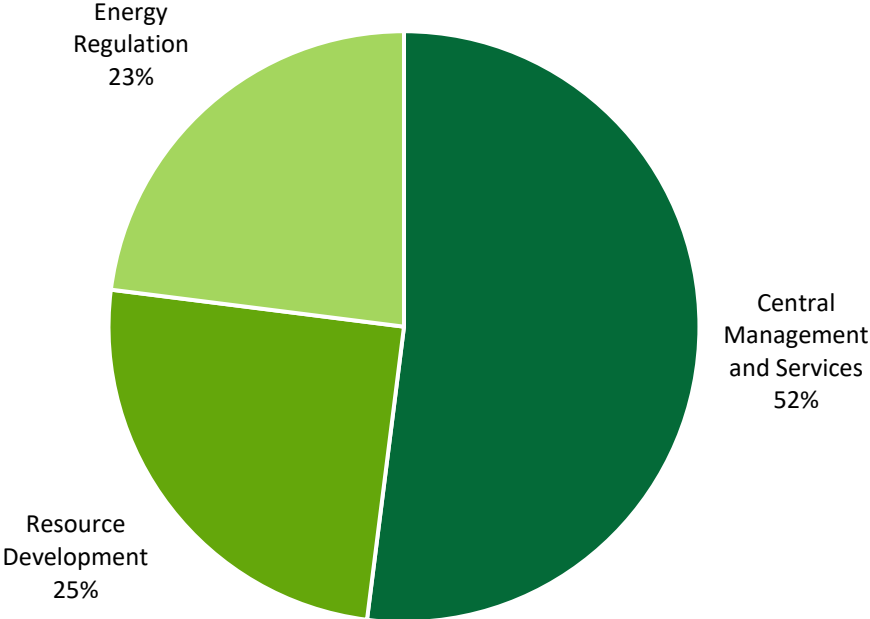
Information Technology (IT) Projects

Continue to deliver IT projects on time and within +/- 10 per cent of budget.

Financial Summary

Ministry of Energy and Resources 2023-24 Estimates (\$53.258 million)	(in thousands of dollars)
Central Management and Services	\$28,643
Energy Regulation	\$12,593
Resource Development	\$13,699
Total Appropriation	\$54,935
Capital Asset Acquisitions	\$(5,737)
Capital Asset Amortization	\$4,060
Total Expense	\$53,258

Ministry of Energy and Resources 2023-24 Budget by Division
\$53.258 million



Links to More Information

- [Ministry of Energy and Resources](#)
- [Government of Saskatchewan Budget, Planning and Reporting](#)