

Annual Report

2023-24

Ministry of Energy and Resources

Letters of Transmittal



The Honourable
Jim Reiter
Minister of Energy and
Resources

Office of the Lieutenant Governor of Saskatchewan

I respectfully submit the Annual Report for the Ministry of Energy and Resources for the fiscal year ending March 31, 2024.

A handwritten signature in blue ink, appearing to read 'Jim Reiter', written in a cursive style.

Jim Reiter
Minister of Energy and Resources



Blair Wagar
Deputy Minister of
Energy and Resources

The Honourable Jim Reiter
Minister of Energy and Resources

Dear Minister:

I have the honour of submitting the Annual Report of the Ministry of Energy and Resources for the fiscal year ending March 31, 2024.

A handwritten signature in blue ink, appearing to read 'Blair Wagar', written in a cursive style.

Blair Wagar
Deputy Minister of Energy and Resources

Ministry of Energy and Resources Overview

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 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 Statement

To advance responsible resource development.

Vision Statement

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

Core Lines of Business

The Ministry of Energy and Resources (the ministry) is made up of two primary lines of business:

- To explore and develop Saskatchewan's natural resources; and,
- To regulate the lifecycle activities related to the responsible development of Saskatchewan's natural resources.

The ministry's employees provide services and programs through its main office in Regina and regional offices across the province.

In 2023-24, the ministry's actual full-time equivalent (FTE) utilization was 294.

The Minister of Energy and Resources is responsible for the following Acts and Regulations

The Crown Minerals Act

- *The Alkali Mining Regulations*
- *The Bayhurst Viking Voluntary Gas Unit Regulations*
- *The Coal Disposition Regulations, 1988*
- *The Crown Mineral Royalty Regulations*
- *The Crown Oil and Gas Royalty Regulations, 2012*
- *The High Water-Cut Oil Well Program Regulations*
- *The Late Payment Interest Charges Regulations*
- *The Mineral Tenure Registry Regulations*
- *The Mineral Trust Revestiture Regulations*
- *The Oil and Gas Tenure Registry Regulations*
- *The Quarrying Regulations, 1957*
- *The Subsurface Mineral Royalty Regulations, 2017*
- *The Subsurface Mineral Tenure Regulations*
- *The Tailings Disposal Area Regulations*
- *The Totnes Viking Gas Storage Royalty Regulations*
- *The Waterflood Development Program Regulations*
- *The Weyburn Unit CO₂ Crown Oil Royalty Regulations*

The Economic and Co-operative Development Act

But only with respect to clause 8(a) which is jointly assigned to the Minister of Energy and Resources, the Minister of Trade and Export Development, the Minister of Immigration and Career Training, the Minister of Agriculture, the Minister of Parks, Culture and Sport and the Minister Responsible for Tourism Saskatchewan.

The Energy and Mines Act

- *The Targeted Mineral Exploration Incentive Regulations*

The Ethanol Fuel Act

- *The Ethanol Fuel (General) Regulations*

The Financial Administration Act, 1993

But only with respect to Section 24, which is jointly assigned to the Minister of Energy and Resources and the Minister of Finance as it relates to:

- *The Oil and Gas Processing Investment Incentive Regulations*
- *The Oil Infrastructure Investment Program Regulations*
- *The Petroleum Innovation Incentive Regulations*
- *The Petroleum Research Incentive Regulations*

The Forest Resources Management Act

But only with respect to Sections 5, 6 and 7 which are jointly assigned to the Minister of Energy and Resources and the Minister of Environment.

The Freehold Oil and Gas Production Tax Act, 2010

- *The Freehold Oil and Gas Production Tax Regulations*
- *The Recovered Crude Oil Tax Regulations*
- *The Totnes Viking Gas Storage Freehold Production Tax Regulations*
- *The Weyburn Unit CO₂ Freehold Oil Production Tax Regulations*

The Mineral Resources Act, 1985

- *The Mineral Exploration Tax Credit Regulations, 2014*
- *The Seismic Exploration Regulations, 1999*
- *The Subsurface Mineral Conservation Regulations*

The Mineral Taxation Act, 1983

- *The Freehold Coal Production Tax Regulations*
- *The Mineral Rights Tax Regulations, 2022*
- *The Mineral Taxation Late Payment Interest Charges Regulations*
- *The Potash Production Tax Regulations*
- *The Sodium Chloride Production Tax Regulations*

The Oil and Gas Conservation Act

- *The Financial Security and Site Closure Regulations*
- *The Oil and Gas Conservation Regulations, 2012*
- *The Oil and Gas Emissions Management Regulations*
- *The Petroleum Registry and Electronic Documents Regulations*

The Pipelines Act, 1998

- *The Pipelines Administration and Licensing Regulations*

The Reclaimed Industrial Sites Act

- *The Reclaimed Industrial Sites Regulations*

The Renewable Diesel Act

- *The Renewable Diesel Regulations*

The Surface Rights Acquisition and Compensation Act

- *The Surface Rights Acquisition and Compensation Regulations*

The Ministry of Energy and Resources 2023-24 Business Plan:

<https://publications.saskatchewan.ca/api/v1/products/120477/formats/139301/download>

Progress on 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 23 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.
 - On March 27, 2023, the Government of Saskatchewan released [Securing the Future: Saskatchewan's Critical Minerals Strategy](#) (Critical Minerals Strategy) to drive growth and development of the sector in the province.
 - The Critical Minerals Strategy outlines four goals: to increase Saskatchewan's share of Canadian mineral exploration spending to 15 per cent by 2030; to double the number of critical minerals being produced in Saskatchewan by 2030; to grow Saskatchewan's production of potash, uranium and helium; and to establish Saskatchewan as a rare earth elements hub.
 - To support the Critical Minerals Strategy, programs were expanded in the 2023-24 Saskatchewan Budget to facilitate new critical mineral development in the province. The Saskatchewan Mineral Exploration Tax Credit was increased from 10 to 30 per cent and funding for the Targeted Mineral Exploration Incentive, which now applies to drilling of all hard-rock minerals anywhere in the province, has increased from \$750,000 to \$4 million annually. Additionally, activities that support geoscience data management technology and automation are ongoing in order to enhance access to public geoscience information and support industry investments.
 - The ministry partnered with the University of Saskatchewan and the University of Regina to explore innovative approaches to examining critical mineral potential.

- Continue to implement deliverables from the Helium Action Plan: From Exploration to Exports to support the development of the helium industry in Saskatchewan.
 - The Saskatchewan Research Council (SRC) conducted and published a [Helium Liquefaction Hub Study](#) in May 2023 which outlines considerations and an optimistic path forward in support of the development of the helium industry in Saskatchewan, captured in the Government of Saskatchewan's [Growth Plan: The Next Decade of Growth](#) (Growth Plan). The findings from the study are being assessed and planning efforts are in motion to explore potential opportunities.
 - The ministry expanded the Integrated Resource Information System (IRIS) to automate helium production reporting and the royalty payment system in April 2023 as outlined in the [Helium Action Plan](#), in alignment with the Growth Plan.
- Work collaboratively with industry stakeholders through the Forestry Sector Competitiveness Committee to address barriers to the growth of forestry in Saskatchewan.
 - Committee meetings occurred frequently to understand and proactively address potential impacts to the forestry sector. Ministry staff developed data and conducted analysis that was leveraged through the Forestry Sector Competitiveness Committee to execute highway enhancements in and adjacent to the Commercial Forest Zone. This created safe road conditions and increased stability for industry.
- Amend and clarify regulations to support investment and provide certainty around pore space ownership, access, unitization of high-potential enhanced oil recovery (EOR) plays and long-term obligations and accountability for carbon dioxide storage.
 - Research and analysis continue to be a priority to work towards providing clarity around pore space ownership and creating long-term accountability for carbon dioxide storage.
 - The Government of Saskatchewan continues to advocate for eligibility of EOR projects under the federal Carbon Capture, Utilization and Storage Investment Tax Credit.
- Continue to explore opportunities for increased Indigenous engagement and participation in the natural resources sector.
 - Participated on the Senior Indigenous Advisors Council, a cross governmental entity that discusses pressing issues regarding Indigenous communities, engagement and participation with a focus on paving a way forward for reconciliation.
 - The Growth Plan and Critical Minerals Strategy both capture the importance of Indigenous engagement and participation in Saskatchewan's natural resource sector, and opportunities to enhance these areas continue to be investigated.
 - Ministry staff collaborated with the Ministry of Government Relations on revising the Government of Saskatchewan's [First Nation and Métis Consultation Policy Framework](#) (CPF). Engagement occurred with leadership of First Nation and Métis communities to ensure meaningful enhancements were taken into account regarding but not limited to: preserving land to practice Aboriginal and Treaty rights, building strong relationships, improving transparency and communications through the CPF process, building greater capacity and

- improve policy, processes and implementation of the CPF.
- 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).
 - From January 2022 to April 2023 Holterman Waller Strategy held eight in-person stakeholder engagement sessions across Saskatchewan that engaged RMs and oil and gas companies.
 - A stakeholder report was released to all stakeholders in June 2023. The ministry is in the process of considering the engagement results and available options.
- Continue to advance Saskatchewan’s interests and protect Saskatchewan’s jurisdiction over natural resource development in engagements with the federal government.
 - The ministry actively collaborated with other Government of Saskatchewan ministries to respond to federal government actions and proposals that impact provincial jurisdiction and advance the province’s interests on the national stage.
 - Responded to federal initiatives related to climate and emissions in collaboration with other Government of Saskatchewan ministries. The ministry has supported provincial efforts to advocate for in-province solutions to environmental sustainability and oppose federal overreach into areas of provincial jurisdiction.
 - To pursue growing opportunities and support the goals of *Saskatchewan’s Critical Minerals Strategy*, increased engagement was conducted with the federal government pertaining to activities and programs under *The Canadian Critical Minerals Strategy*.
 - In a published news release on February 22, 2024, the Government of Saskatchewan identified Saskatchewan’s opposition to the federal government’s proposed oil and gas emissions cap and draft methane regulations and its implications for Saskatchewan citizens and communities.
 - Efforts continue on building intergovernmental capacity to monitor Federal-Provincial-Territorial activity for impact and potential action for Saskatchewan, as well as to oversee Federal-Provincial-Territorial engagement and collaboration.

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.
 - Expanded the program eligibility to include all hard-rock mineral exploration projects anywhere in Saskatchewan to support emerging exploration opportunities in areas of unrealized potential.
 - The TMEI enhancements, including increased program funding of \$4 million

annually, attracted 28 successful applicants with \$76.3 million in drill program expenditures.

- Increase the Saskatchewan Mineral Exploration Tax Credit from 10 to 30 per cent to drive investment in Saskatchewan exploration activities by Saskatchewan-based investors.
 - This enhancement to the Saskatchewan Mineral Exploration Tax Credit will encourage increased exploration in Saskatchewan and provide new investment and employment opportunities for Saskatchewan residents, including northern and Indigenous residents and companies.
 - Further amendments were passed on October 11, 2023, to expand the eligibility to foreign-based companies conducting mineral exploration activities in Saskatchewan.
- 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 EOR.
 - The ministry continues to engage with industry on key regulatory and policy issues to unlock Saskatchewan's CCUS potential, including the use of captured carbon dioxide in EOR.
- 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.
 - Analysis continues to be conducted to support industry investment in gas gathering and collection infrastructure.
 - The Oil and Gas Processing Investment Incentive and the Saskatchewan Petroleum Innovation Incentive were extended for five years, to March 31, 2029. Both programs support methane capture and commercialization projects.
 - Industry engagement was held through an emissions management working group to understand feedback on incentives and infrastructure.

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

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

KeyActions: *What we will do to get there*

- Support mineral and petroleum exploration through timely release of new geoscience information summarizing current research activities.
 - A multi-year project to modernize data management system to make public geoscience information more readily accessible to stakeholders is in the implementation phase.
 - Conducted four bedrock and surficial mapping projects in multiple areas in northern Saskatchewan to provide insight into mineral potential of these areas.
 - Four petroleum-focused studies were implemented in multiple regions of southern Saskatchewan to identify new areas of petroleum potential.
 - Undertook five critical minerals-focused geoscience projects to provide geological information on emerging mineral resources in the province.
 - Collaborated with the Geological Survey of Canada and delivered new high-quality airborne survey data in Wollaston Lake area, released in November 2023.

- Work collaboratively with industry stakeholders to monitor and respond to new critical minerals development opportunities in Saskatchewan.
 - A geoscience technical advisory group was formed in southern Saskatchewan to gain insight into the needs of industry stakeholders with respect to public geoscience programs.
 - Participated on various industry advisory committees including, the Saskatchewan Mineral Exploration and Government Advisory Committee, Habitat Advisory Committee and Protected and Conserved Areas Working Group, to work collaboratively on critical mineral development opportunities in Saskatchewan in support of the Critical Minerals Strategy.
- Review the EOR potential of Saskatchewan’s oil reservoirs.
 - Findings through geological engineering studies have indicated there are EOR opportunities in the Lloydminster, Saskatchewan area.
- 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.
 - The ministry held and attended several industry events to promote Saskatchewan’s competitive position and support the province as being the best place in Canada to develop natural resources, including but not limited to: AME Roundup, Canadian Society of Petroleum Geologists GeoConvention, EOR23, Geological Society of America Annual Meeting, Houston Investment Summit, Saskatchewan Aboriginal Land Technicians (SALT), Saskatchewan Geological Open House, Williston Basin Petroleum Conference and Prospectors and Developers Association of Canada Convention (PDAC).

Performance Measure Results:

Saskatchewan Forest Products Sales

- Increase the value of Saskatchewan forest products sales to \$2.2 billion (B) by 2030, with an annual value of Saskatchewan forest product sales of \$1.3B in 2023-24.
 - In 2023-24 the value of Saskatchewan's forest products sales was \$1.2B.

Saskatchewan Potash Sales

- Increase the value of Saskatchewan potash sales to \$9B by 2030, with an annual value of Saskatchewan potash sales of over \$8B in 2023-24.
 - In 2023-24 the value of Saskatchewan's potash sales was \$9.9B.

Saskatchewan Uranium Sales

- Increase the value of Saskatchewan uranium sales to \$2B by 2030, with annual value of Saskatchewan uranium sales of over \$800 million in 2023-24.
 - In 2023-24 the value of Saskatchewan's uranium sales was \$1.6B.

Saskatchewan Oil Production

- Increase oil production to 600,000 barrels per day by 2030, with a target of 460,000 barrels per day (BPD) in 2023-24.
 - In 2023-24 the oil production in Saskatchewan was 457,500 BPD.

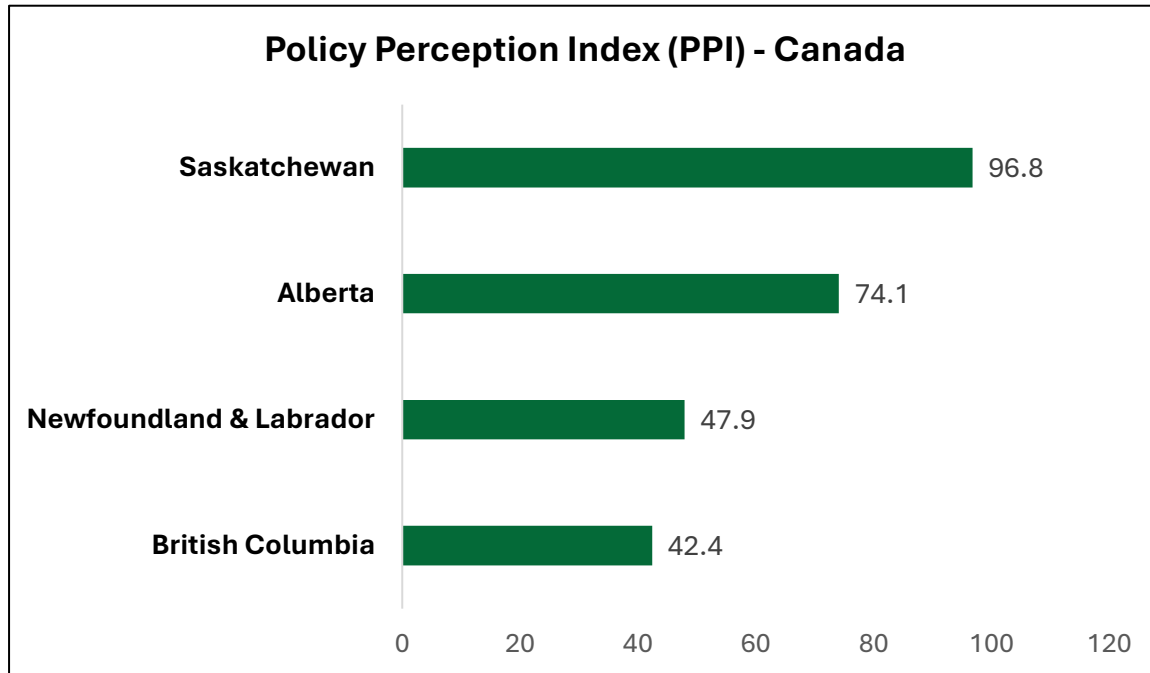
Helium Producing Wells and Purification/Liquefaction Facilities

- 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.
 - In 2023-24, eight new helium producing wells and two purification facilities were established.
 - In total Saskatchewan now has 26 actively producing wells and nine purification facilities, on track to meet 2030 goals.

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.
 - In the Fraser Institute Canada-US Energy Sector Competitiveness Survey, Saskatchewan ranked number one as the most attractive Canadian jurisdiction for upstream petroleum investment in 2023.
 - The Figure below illustrates Saskatchewan’s performance in the 2023 survey relative to other jurisdictions in Canada.

Fraser Institute Global Petroleum Survey Policy Perception Index Continued



Source: Fraser Institute’s Canada-US Energy Sector Competitiveness Survey 2023

Fraser Institute Global Petroleum Survey Policy Perception Index Continued

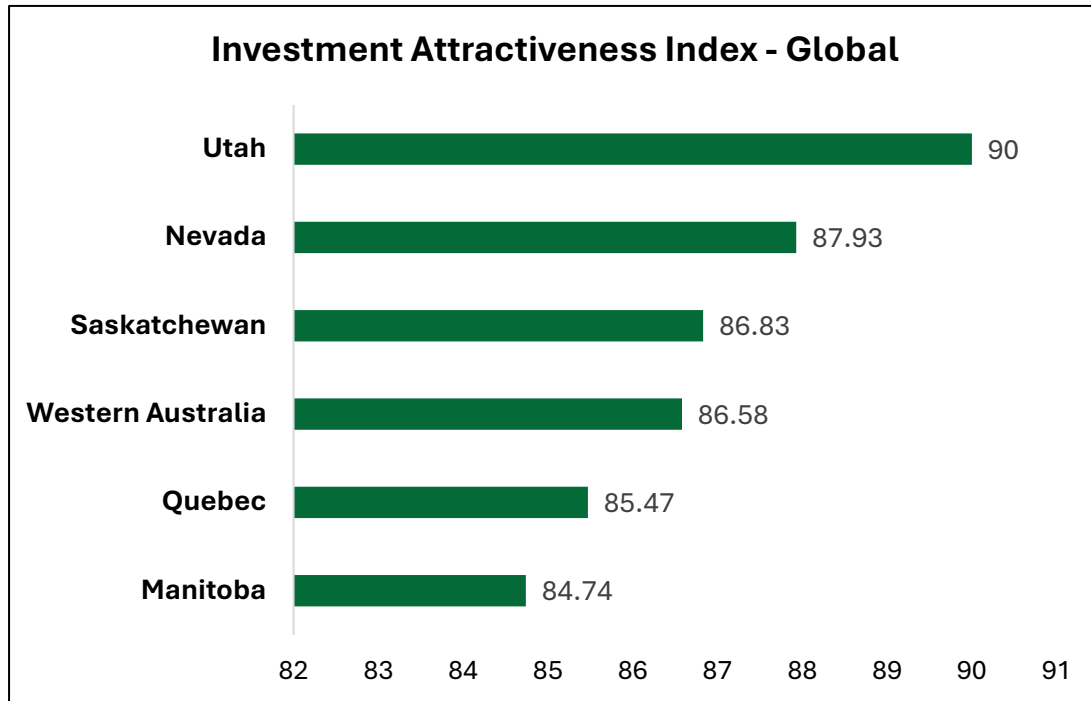
- Saskatchewan improved its policy score by 20.83 points:

	Score 2022	Score 2023
Saskatchewan	75.97	96.8

Source: Fraser Institute’s Canada-US Energy Sector Competitiveness Survey 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.
 - In the 2023 Fraser Institute Mining and Exploration Companies Survey, Saskatchewan ranked third for investment attractiveness.



Source: Fraser Institute's Annual Survey of Mining Companies 2023

Progress on 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.
 - Processes and procedures are in development to measure and audit industry performance under the Inactive Liability Reduction Program in order to facilitate compliance, enforcement and reporting objectives.
- 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.
 - A program evaluation was completed on the Saskatchewan Oil and Gas Orphan Fund and identified opportunities for enhancements aimed at improving service delivery.
 - New software designed specifically to improve efficiency and workflow for project management of land reclamation and remediation projects was implemented.
- 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* (OGEMR) and through on-going monitoring and research.
 - In Saskatchewan, emissions from vented and flared gas at upstream oil facilities totaled 3.6 million tonnes of carbon dioxide equivalent (CO₂e) in 2023, representing a 7.3 million tonnes CO₂e reduction from 2015 levels (similar to taking more than 1.6 million cars off Saskatchewan roads for a year). Additional insight and information on annual emissions can be found in the 2023 OGEMR Annual Emissions Report.

- Continue to develop risk-based data analytics to support regulatory focus and improvement opportunities.
 - The ministry has implemented various data analysis tools to proactively identify trends in support of identifying opportunities to enhance industry compliance in the areas of well licensing, production management and enhanced recovery summarized reporting.

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.

KeyActions: *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.
 - A regulatory framework has been established to create an environment that allows for a vast range of insight to better meet the needs of emerging opportunities in the natural resource sectors. In January 2024 the first industry information session was held to enhance information sharing on regulatory initiatives underway and planned.
- Work with Saskatchewan’s resource industries to remove regulatory red tape and barriers.
 - In 2023-24 three red tape reviews were conducted to identify opportunities to remove red tape for businesses and ensure regulations remain relevant, which included:
 - *The Surface Rights and Compensation Regulations:* review was undertaken in advance of changes to the Regulations to support landowners owed unpaid surface lease payments.
 - *The Oil and Gas Conservation Regulations:* Identified opportunities to revise the Regulations to remove redundancies, provide additional clarity and streamline administrative practices.
 - *The Reclaimed Industrial Sites Act and The Reclaimed Industrial Sites Regulations:* legislative and red tape reduction reviews were initiated for the Act and Regulations which govern the Institutional Control Program.
- Continue to enhance the Integrated Resource Information System to facilitate ease of use and compliance with regulatory requirements.
 - The ministry implemented close to 100 improvements in IRIS that improved operating features and enhanced functionality.
 - Significant improvements implemented in IRIS can be located on page 19.
- Build upon strong relationships with industry to identify opportunities to support service delivery and enhance operational practices at the field level.
 - Consultation occurred in conjunction with the Technical Safety Authority of Saskatchewan at an information session in Lloydminster, Saskatchewan, to guide regulatory changes for combustor safety.
 - Engaged with industry to ensure the success of the retroactive flowline licensing program. The following was achieved:
 - 85,452 lines were licensed;

- 154 licensees participated in the program;
- Outstanding lines to be addressed is approximately 900 (one per cent of total); and,
- Compliance efforts to address remaining infrastructure will be worked on in 2024-2025 fiscal year.
- Enhance compliance management practices to improve efficiency, transparency and consistency in decision-making processes and in application.
 - The ministry has developed an enhanced Compliance Management Framework to support compliance management practices across the Energy Regulation Division. A component of this framework focuses on creating consistency and transparency on escalation and compliance opportunities for licensees.
- 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.
 - A total of 49 sites were in the Institutional Control Program as of March 31, 2024.
 - Through the Clean-up of Abandoned Northern Sites (CLEANS) project and in partnership with SRC, progress was made to remediate the abandoned Gunnar and Satellite mine sites. The work completed in 2023-24 included reaching 99 per cent completion of revegetation of covered Gunnar Central tailings and main tailings, completing the regrading of waste rock areas and constructing the Langley Bay drainage channel.

Performance Measure Results:

Clean-up of Abandoned Northern Sites (CLEANS)

- The CLEANS project will continue to be managed within the established liability (+/- 5 per cent).
 - New cost estimates for the Gunnar and Lorado mill and mine sites required an increase to the estimated liability and additional funding, resulting in missing the target.
 - The projected liability increased due to higher-than-expected inflation, impacts of the pandemic and historic high-water levels.

Reduction of GHG Emissions

- Reduce methane-based GHG emissions by 4.5 million tonnes of carbon dioxide equivalent annually by 2025.
 - Upstream oil and gas GHG emissions from venting and flaring have reduced by 7.3M tonnes of CO₂e by the end of 2023 from 2015 levels.

Inactive Liability Reduction

- Enforce industry retirement of five per cent of inactive liabilities in 2023 and an estimated six per cent in 2024.
 - Industry retired 11.5 per cent of the provincial deemed inactive liabilities based on reported expenditures in 2023. The Liability Reduction Percentage required for 2024 is six per cent.

Progress on 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.
 - Several internal learning sessions were facilitated to staff on diversity, inclusion and disability awareness.
 - Ministry staff participated in quarterly collaborative opportunities to connect with fellow staff members, share ideas and learn from one another.
- Pursue recognition opportunities to acknowledge employees' hard work and dedication to the public service.
 - Recognition is important to the ministry and every year the following tokens of appreciation are provided to staff:
 - The Deputy Minister Awards were improved to bring more excitement and engagement around recognizing exemplary work done by individuals and teams across the ministry. There were 65 nominations submitted under the following categories: Culture Champion, Leadership and Excellence Extraordinaire, Safety and Well-being and Trailblazer.
 - The Long Service Awards were celebrated to show appreciation for dedication and loyalty to the public service in Saskatchewan during career milestones.
 - The Premier's Award of Excellence was awarded to the Accelerated Site Closure Program (ASCP) team. The ASCP, launched by the Government of Saskatchewan on May 22, 2020, successfully allocated \$400 million in federal funding to retire inactive and orphaned oil and gas wells in Saskatchewan. The program successfully concluded its operations on March 15, 2023. A collaborative approach was utilized across the Government of Saskatchewan, Saskatchewan First Nations Natural Resources Centre of Excellence and with industry, which contributed to the success of the program.

- 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.
 - Results of the 2023-24 Employee Engagement and Culture Survey highlighted an increase to the Employee Engagement Score. This shows that staff are engaged, fulfilled by their work and that the ministry continues to be a high-performing organization and pursue opportunities to strive for excellence.
 - Feedback received from staff will support the creation of an action plan to further enhance engagement and excellence in the 2024-25 fiscal year.

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.
 - Mental Health First Aid training was offered to staff; 23 staff members participated in the training and were educated on mental health first aid practices and the importance of mental health awareness in the workplace.
 - Numerous mental health-related awareness sessions were held for staff to promote and encourage healthy habits as a way to improve overall well-being.
- Work with the Physical and Psychological Safety Committee to ensure the workplace is safe and free of hazards.
 - Monthly safety tips and messaging were shared with staff to promote physical and psychological safety and spread awareness.
 - Floor warden training was conducted for staff who are responsible for ensuring fellow staff are aware of how to respond to emergency situations and ensure everyone's safety.
 - A two-year action plan was developed to place additional focus on the ministry's physical safety management system.

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.
 - A Benefits Realization Framework was established to drive strategic execution and maximize business value delivery through the selection, optimization and oversight of project investments which align to business goals and objectives in a timely manner. The Framework is in place to help the ministry effectively identify, manage and sustain the project benefits.
 - The ministry completed benefit realization reports for two projects. The results of these reports showed that the projects met or exceeded benefit

- targets. These reports also enabled a feedback mechanism for the ministry, industries and clients, to identify process enhancements for future projects.
- Five major IT projects were successfully executed in 2023-24. These projects included:
 - Construction Completion Report: enhanced pipeline/flowline construction completion report in IRIS to enable industry users to correctly report construction completion information on a segment to ensure the accuracy of the pipeline registry.
 - Fluid Analysis Data Management: enhanced fluid analysis data management in IRIS to digitize and streamline fluid analysis reporting from all wells in the hydrocarbon and non-hydrocarbon sectors to support the Helium Action Plan.
 - Maximum Permissible Rate: incorporated routine/non-routine functionality for Maximum Permissible Rate applications in IRIS to support the ongoing modernization process of our production allowable system.
 - Mineral Trust Rental Payment: automated the Mineral Trust Rental Payment process in IRIS to increase accuracy of the payment to applicable trust owners.
 - New Well Completion Types: added new well completion type acid gas disposal and CO₂ Storage to IRIS to accommodate industry's expansion and options for CO₂ storage well licensing and development in supporting emissions reduction.
 - 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.
 - The Data Management Governance Framework was established to effectively meet client needs and create a space to strengthen the decision-making process to aid in successfully achieving 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.
 - The ministry enhanced internal information sharing by leveraging SharePoint as a platform to house information in an accessible, user-friendly and centralized location for staff.
 - Engaged with the Ministry of SaskBuilds and Procurement to explore enterprise solutions that the ministry can consider and potentially implement to continue to support streamlining business outcomes.
- Continue to invest in improvements to the Integrated Resource Information System to support rapid industry growth and maintain a competitive edge.
 - Improvements were implemented to IRIS to continue to modernize the online business portal, including ease of application and other enhanced capabilities, such as: improved and expanded IRIS file storage through the introduction of object-based (Blob) storage and deployment, ongoing IRIS Integration to the Enterprise Business Modernization Project financial system

- and BI Cognos upgrade.
- 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.
 - A business proposal was developed and approved to modernize the ministry's mineral resources management business processes and information systems. Proposed enhancements will support the growth of the critical minerals industry and emerging commodities.
 - A business case outlining solutions for business and industry needs was developed to enable solution acquisition.
 - Initial implementation of the program is expected to commence in the fall of 2025.

Performance Measure Results:

Client Inquiry Response Time

- Reduce response time for client inquiries regarding the Mineral Rights Tax by 30 per cent.
 - In 2023-24 the response time for client inquiries regarding the Mineral Rights Tax was reduced by 78 per cent, an astonishing 48 percentage points over the target. This result is due to applying lessons learned following technical difficulties experienced with a new system the previous fiscal year.

Service Desk Case Closure Rate

- Reduce unresolved case rate to six per cent or lower within the prescribed target based on priority level assignment.
 - In 2023-24 the average unresolved case rate was within the prescribed target at 4.1 per cent, a reduction of almost six percentage points from the previous year.

Information Technology (IT) Projects

- Continue to deliver IT projects on time and within +/- 10 per cent of budget.
 - In 2023-24, IT projects were executed on time and came in 7.4 per cent under budget. This is an accomplishment that required collaboration and diligence from all ministry staff, in the pursuit of cost-effective opportunities without losing quality attributes of projects.

Financial Summary

The ministry's actual expenditures for 2023-24 were \$148.3M, which was \$1.1M under the budgeted appropriation of \$149.4M. This includes an additional \$94.5M appropriation received for the Remediation of Contaminated Sites.

The ministry collects revenue on behalf of the Government of Saskatchewan from the production and sale of Saskatchewan's energy and mineral resources, disposing of Crown mineral rights and other associated taxes, services and fees. All revenue collected is deposited in the General Revenue Fund. In 2023-24 the ministry recorded revenues of \$1,956.6M, a decrease of \$601.5M under budget estimates.

Expense Summary

The following table outlines information on actual and budgeted expenditures by subvote and subprogram, as per the structure for the Ministry of Energy and Resources. Variance explanations are provided for individual variances that are greater than \$500,000.

Ministry of Energy and Resources Expense Actuals

	<i>(In thousands of dollars)</i>				
	2022-23	2023-24	2023-24	2023-24	Notes
	Actuals	Budget	Actuals	Variance	
ER01 Central Management and Services					
Minister's Salary (Statutory)*	55	57	57	-	
Executive Management	904	929	884	(45)	
Central Services	20,156	23,551	22,021	(1,530)	1
Accommodation Services	3,180	3,357	4,330	973	2
ER01 Central Management and Services Total	24,295	27,894	27,292	(602)	
ER05 Energy Regulation					
Operational Support	11,854	12,264	11,972	(292)	
Surface Rights Arbitration Board	184	229	166	(63)	
Accelerated Site Closure Program	126,973	-	-	-	
ER05 Energy Regulation Total	139,011	12,493	12,138	(355)	
ER06 Resource Development					
Operational Support	4,621	5,071	4,561	(510)	3
Saskatchewan Geological Survey	4,594	8,628	7,611	(1,017)	4
Forestry Development	-	-	-	-	
Remediation of Contaminated Sites	64,560	95,350	96,771	1,421	5
ER06 Resource Development Total	73,775	109,049	108,943	(106)	
Total Appropriation	237,081	149,436	148,373	(1,063)	
Remediation of Contaminated Sites	(64,560)	-	-	-	
Capital Asset Acquisition	(2,184)	(5,737)	(3,797)	1,940	1
Capital Asset Amortization	3,899	4,060	4,026	(34)	
Total Expense	174,236	147,759	148,602	843	

*Statutory adjustment to Minister's Salary

Notes:

Variance Explanations (Amounts greater than \$500,000):

1. Savings due to delayed capital projects.
2. Pressure due to increased lease costs and leasehold improvements.
3. Vacancy management and operational savings.
4. Savings due to lower utilization of the Targeted Mineral Exploration Incentive than anticipated.
5. New cost estimates, for the Gunnar and Lorado mill and mine sites, required an increase to the estimated liability. Costs were funded through Special warrant funding and a reallocation of funding within the Ministry.

Revenue Summary

The following table outlines information on actual and budgeted revenue by category for the Ministry of Energy and Resources. An explanation of major variances is provided on all revenue that is greater than \$3.0M.

Ministry of Energy and Resources Revenue

	<i>(in thousands of dollars)</i>			
	2023-24 Budget	2023-24 Actuals	2023-24 Variance	Notes
Non-Renewable Resource Revenue				
Oil	958,400	978,904	20,504	1
Disposition Mineral Public Offering	19,400	77,000	57,600	2
Natural Gas	4,700	2,243	(2,457)	
Potash	1,376,500	754,903	(621,597)	3
Uranium	122,066	90,003	(32,063)	4
Other Minerals	40,534	29,243	(11,291)	5
Total Non-Renewable Resources	2,521,600	1,932,296	(589,304)	
Other Own-Source Revenue				
Mineral Rights Tax	10,500	10,271	(229)	
Sales, Services and Service Fees	26,012	13,134	(12,878)	6
Other Miscellaneous Revenue	15	906	891	
Total Other Own-Source Revenue	36,527	24,311	(12,216)	
Total Revenue	2,558,127	1,956,607	(601,520)	

Notes:

Explanations of Major Variances:

1. Increase in oil revenues of \$20.5M was primarily due to a decrease in the exchange rate and a decrease of 6.9 percentage points in the light-heavy blend differential.
2. Increase in disposition mineral public offering of \$57.6M are mainly due to increased competition for mineral rights.
3. Decrease in potash revenues of \$621.5M are due primarily to decreases in realized prices and increases in operating costs.
4. Decrease in uranium revenues of \$32M are due primarily to lower basic and profit royalties.
5. Decrease in other minerals of \$11.2M is due primarily to lower-than-expected production and higher than anticipated capital costs.
6. Decrease in sales and service fees of \$12.8M can be primarily attributed to Treaty Land Entitlement (TLE) revenues. They are lower due to fewer projects being in post payout than anticipated.

Additional financial information can be found in the Government of Saskatchewan Public Accounts located at <https://publications.saskatchewan.ca/#/categories/893>