



**PROVINCE OF NEWFOUNDLAND AND LABRADOR  
HOUSE OF ASSEMBLY**

Second Session  
Fiftieth General Assembly

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**Proceedings of the Standing Committee on  
Resources**

April 10, 2025 - Issue 21

Department of Industry, Energy and Technology

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Published under the authority of the Speaker of the House of Assembly  
Honourable Derek Bennett, MHA

## **RESOURCE COMMITTEE**

Department of Industry, Energy and Technology

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Chair: Perry Trimper, MHA

Vice-Chair: Craig Pardy, MHA

Members: Pleaman Forsey, MHA  
Jordan Brown, MHA  
Jamie Korab, MHA  
Lucy Stoyles, MHA  
Sherry Gambin-Walsh, MHA

Clerk of the Committee: Kimberley Hammond

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Appearing:

### **Department of Industry, Energy and Technology**

Hon. Andrew Parsons, MHA, Minister  
John Cowan, Deputy Minister  
Craig Martin, Associate Deputy Minister  
Heather Tizzard, Associate Deputy Minister  
Paul Carter, Assistant Deputy Minister, Mining and Mineral Development  
Julian Ludmer, Assistant Deputy Minister, Business and Innovation  
Megan Nesbitt, Assistant Deputy Minister, Corporate and Strategic Services  
Stephen Mercer, Departmental Controller  
Susan Wilkins, Executive Director of Renewable Energy  
Tansy Mundon, Director of Communications  
Michael King, Executive Assistant to the Minister

### **Also Present**

Hon. John Abbott, MHA  
Hon. Krista Lynn Howell, MHA, Minister of Education  
Lloyd Parrott, MHA  
Eileen Anderson, Government Members' Caucus  
Megan Winter, Official Opposition Caucus  
Steven Kent, Third Party Caucus

Pursuant to Standing Order 68, Krista Lynn Howell, MHA for St. Barbe - L'Anse aux Meadows, substitutes for Lucy Stoyles, MHA for Mount Pearl North.

Pursuant to Standing Order 68, John Abbott, MHA for St. John's East - Quidi Vidi, substitutes for Sherry Gambin-Walsh, MHA for Placentia - St. Mary's.

Pursuant to Standing Order 68, Lloyd Parrott, MHA for Terra Nova, substitutes for Pleaman Forsey, MHA for Exploits.

The Committee met at 9 a.m. in the House of Assembly Chamber.

**CLERK (Hammond):** Good morning, everybody.

I call the meeting to order.

My name is Kim Hammond, I'm Principal Clerk of the House of Assembly and I will be the Clerk for this Committee.

To begin this morning, we have to have an election of the Chair.

Are there any nominations from the floor?

**K. HOWELL:** I nominate Perry Trimper.

**CLERK:** Thank you.

Are there any further nominations?

Are there any further nominations?

Mr. Trimper, you're acclaimed Chair.

**CHAIR (Trimper):** All right, we're sitting down, okay.

Let's call the meeting to order, thank you.

My name's Perry Trimper, MHA for Lake Melville.

First of all, do we have any Committee substitutions?

I look over to my right. Everyone's here who's supposed to be here?

**K. HOWELL:** I'm supposed to be here, but I'm not on the (inaudible).

**C. PARDY:** MHA Parrott is in MHA Forsey.

**CHAIR:** Okay, we just need to enter that into the record.

Yeah, here we go. We have Bonavista and we have Exploits – we do not have Exploits.

**L. PARROTT:** No, I'm the substitute.

**CHAIR:** Okay, so you're subbing. So that's Terra Nova.

Labrador West, Lake Melville is here. We have Mount Pearl North.

**K. HOWELL:** That's me.

**CHAIR:** That's you, okay.

**CLERK:** I apologize to the Committee; I actually forgot to call a vote for Mr. Trimper to be Chair.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CLERK:** All those against, 'nay.'

**SOME HON. MEMBERS:** Nay.

**CLERK:** I believe the ayes have it, and Mr. Trimper is the Chair.

**CHAIR:** I'm in. Okay, thank you. Close call.

Placentia - St. Mary's, who's replacing, that would be my friend from – Mr. Abbott, you're replacing Sherry Gambin-Walsh. Your district again? St. John's East - Quidi Vidi. I've heard of it.

We have Mr. Korab for Waterford Valley. Okay, thank you very much.

As we all know, I think many of us have been at this before, we'll take a break about halfway through of about 10 minutes. Just a little reminder for those who aren't familiar with the mics, we just need you to wave so the Broadcast can pick you up. Wait for the tally light to come on and then identify who you are and your position, and then you can go ahead and speak.

I ask you not to make adjustments to the chairs. Anyway, I'm just the messenger. We have water coolers here to our side.

Do we have any unaffiliated Members? I do not see any, so will proceed without raising that question.

So now I ask the Committee Members please to wave, the light comes on, identify yourself, we'll go through that, and then I'll turn to the department side. Starting with Mr. Parrott.

**L. PARROTT:** Lloyd Parrott, MHA for Terra Nova.

**M. WINTER:** Hi, Megan Winter, Research and Policy Analyst with the Official Opposition Office.

**C. PARDY:** Craig Pardy, MHA for the District of Bonavista.

**J. BROWN:** Jordan Brown, MHA for Labrador West.

**S. KENT:** Steven Kent, Research Assistant for the Third Party Caucus.

**E. ANDERSON:** Eileen Anderson, GMO.

**K. HOWELL:** Krista Howell, MHA for St. Barbe - L'Anse aux Meadows.

**J. KORAB:** Jamie Korab, MHA, Waterford Valley.

**J. ABBOTT:** John Abbott, MHA, St. John's East - Quidi Vidi.

**CHAIR:** Okay, thank you all.

And now over to the department, to also introduce yourselves.

**M. NESBITT:** Megan Nesbitt, Assistant Deputy Minister, Corporate and Strategic Services.

**A. PARSONS:** Andrew Parsons, Minister of IET, MHA, Burgeo - La Poile.

**J. COWAN:** John Cowan, Deputy Minister.

**C. MARTIN:** Craig Martin, Associate Deputy Minister for Energy.

**H. TIZZARD:** Heather Tizzard, Associate Deputy Minister, Industry and Economic Development.

**S. MERCER:** Stephen Mercer, Departmental Controller.

**P. CARTER:** Paul Carter, Assistant Deputy Minister for Mining and Mineral Development.

**S. WILKINS:** Susan Wilkins, Executive Director for Renewable Energy.

**J. LUDMER:** Julian Ludmer, Assistant Deputy Minister for Business and Innovation.

**T. MUNDON:** Tansy Mundon, Director of Communications.

**M. KING:** Michael King, Executive Assistant to the Minister.

**CHAIR:** Okay. Thank you, everyone.

I'm sure you were up late last night reading the minutes from our last meeting and if there are no errors or omissions, I'd ask for a mover of these minutes, please.

**L. PARROTT:** So moved.

**CHAIR:** Moved by the Member for Terra Nova.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Minutes are approved.

Thank you.

On motion, minutes adopted as circulated.

**CHAIR:** So let's proceed now with the Estimates review process. I'll ask the Clerk to call the first heading and then I'll proceed to introduce the first responder and questioner from the Committee. You get 15 minutes for questions in the first round. After that round, we'll go in rounds of 10 minutes at a time, alternating between Members of the Committees.

So I'll now ask the Clerk ...

**CLERK:** Department of Industry, Energy and Technology, 1.1.01 to 1.2.03 inclusive, Executive and Support Services.

**CHAIR:** Shall 1.1.01 to 1.2.03 carry?

I now recognize the hon. the Minister of Industry, Energy and Technology for his opening remarks, please.

**A. PARSONS:** Thank you.

I don't have a whole lot to start off with. We'll save some for the end, although my deputy did have a written submission he was prepared to make. I'm kidding. I just had to get him going in the morning.

No, I'm prepared to let's just get into it and I'm looking forward to the best part of the budget process.

**CHAIR:** Thank you.

Okay, I now call on the Member for Terra Nova.

**L. PARROTT:** Thank you, Mr. Chair.

I'll start off, I guess, by some platitudes. I've been in this position as critic for a couple of years now and, previously, a couple of years before that. I will say it's been a really great relationship with the department. I've always received the help required and got the answers to the questions asked. The minister has been forthcoming with everything, whether it was a phone call, email or through the Estimates process. Certainly, his assistant, Michael King, has been a great help to us, specifically when it comes to quarry applications and the other things that have tied us up over time.

I understand the amount of work that happens inside of departments, so the first thing I'd say is thank you to you all and thank you for being here and keep up the great work. It's a testament to the department, the minister and everyone involved. So thank you very much.

I'm just going to start off with some general questions and I'll jump right into some questions about the Terra Nova FPSO. As we go further through, I'll have questions on different subheadings.

The overhaul of the Terra Nova FPSO, is there any idea right now what the remaining lifespan is going to be?

**CHAIR:** Mr. Martin.

**C. MARTIN:** At the time, the lifespan, when it was refitted there are while back, was estimated to be about 14 years, I believe, at that time. So we're looking right now, I think, at a remaining period of around 10 to 11 years.

**L. PARROTT:** Since the overhaul and we've gone back out to field, has there been any change in PPP, the proven, probable

and possible overlook? Or is it still the same as it was before the overhaul?

**CHAIR:** Mr. Martin.

**C. MARTIN:** There's nothing at this point in time that's been changed in terms of the forecast and that from an overhaul. However, they are potentially looking at doing some additional work (inaudible) that may or may not cause improvements.

**L. PARROTT:** Okay.

Is it still the goal of government to double the offshore oil and gas production?

**CHAIR:** Minister Parsons.

**A. PARSONS:** What I would say is that I saw this pronouncement the other day, when the Opposition leader was in town campaigning, talking about he supports our goals. I would point out that that comes from the last policy document. I can't remember the name; it was prior to my time, I think, actually, in this role.

I can't say that we are not doing that, but I also can't say that we can absolutely have that happen, because some of the factors are out of our control. The biggest thing that I can say to you is that philosophically, we would absolutely support that, would want to see it, which is why we've made some of the moves that we have.

So it's not like we're philosophically objecting to that; some of the situations in terms of Bay du Nord, things like that not going as quickly as we'd like to see them, but some of the decisions we've made in the past were to achieve that objective, whether it's Terra Nova continuing on, supporting West White Rose, things like that.

We're all in if we can get there; I just can't make that promise that it will happen because who can make that promise?

**L. PARROTT:** Yeah.

You can feel free to correct me if I'm wrong here, but I believe the document's name was *Advance 2030*, so –

**A. PARSONS:** I think you're right.

**L. PARROTT:** – is it safe to say that that document is no longer, I guess, the core principle that the department is using?

**CHAIR:** The minister.

**A. PARSONS:** I can honestly say that it's not a document I refer to continually. It was done prior to my time in the department. Not that there's anything wrong with it, but it is significant years in. I've been in almost five years here now, which is hard to believe.

So not that I have anything against the document, but I've started from the mandate letters I've been given from the Premier just dealing with the issues as we find them. But having the general mindset, coming from the Premier down, it is a 2018 document.

It's one of those things where I'm not dismissing the document, but the current Premier's mandate letters are taken from that, and the policy, I guess, direction of a government as a whole.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Recently, we passed legislation that would provide mirror legislation with the Atlantic Accord legislation that the federal government put down. In that legislation, part of it allowed for sharing of resources, I guess, or joint drilling, joint recapture of oil resources offshore.

Do you have any opinion as to whether or not that bill will actually result in those situations or scenarios happening? Is there anyone exploring that currently?

**A. PARSONS:** What I would say is that it is not a current conversation that we're having. Philosophically, we'd love to have that conversation. There's no conversation that we won't have. We have had some recent visits by some of the big players, we'll say, in the offshore. We've literally never had a situation where we wouldn't talk to them or explore or listen to what they want to do. So it's not something I've had to deal with, but hopefully it's there. Hopefully somebody will get a chance to have that conversation.

**L. PARROTT:** There have been multiple concerns, I guess, certainly by people inside the province and by your government and by the Opposition expressed that oil and gas emissions cap is going to reduce the likelihood of further offshore development.

How do you see that cap hurting us going forward? I know that there are lots of different conversations about how different parties would handle it. But the reality of it is if we're going to develop, the cap is going to hurt us at some point. How do we circumvent that in order to move forward?

**A. PARSONS:** Good question.

What I would say is just a few thoughts on the cap, which we have opposed from the beginning, led by the Premier and our department doing the analysis. Number one, we are not supportive. We were not supportive under the previous prime minister and his previous minister of Environment. We've expressed it to the current prime minister, and we would express it to him or to the Opposition leader, if he were the form prime minister, we'll see what that philosophy is.

I think the current prime minister has made some commentary about not having a production-driven emissions cap or this or that. We'll wait and see what comes out after. I mean, there's a lot of stuff said on the campaign trail. We want to see what that impact is.

The way around that is, at the end of the day, if we cannot show them how it would have a negative impact on this province – a province, I would point out, that's helping fund a lot of other provinces in terms of equalization. What I would say is we always had the ability to go to court and to challenge the emissions cap, which we would have no hesitation doing and has been a conversation.

**L. PARROTT:** West White Rose is due to go out soon. Thank God, it's been a long process. It's been interrupted by COVID and other scenarios, I guess. Do we have any idea right now when we think that's going to come online?

**A. PARSONS:** Just referring to my Associate Deputy Minister Craig Martin, the current understanding is the fall. I think we'll see some movement very, very soon obviously, but the fall timeline is what we've been given and haven't had any change from that is the latest.

**L. PARROTT:** So there's expectation for us to see first oil in this year, 2025, or is it 2026?

**C. MARTIN:** It's our understanding that first oil is still expected in 2025.

**L. PARROTT:** With the expectation of a new resource coming online, has that product been accounted into this year's budget from the overall scheme of things and, if so, how many barrels of oil is playing into this year's budget?

**C. MARTIN:** That would be a question the Department of Finance would have to answer. We feed them information for the budget process, but they actually do the budget Estimates.

**L. PARROTT:** Can you disclose what the information from West White Rose that was fed to the department is?

**C. MARTIN:** I don't have that information here with me today. I can check and determine whether or not we can disclose that.

**L. PARROTT:** Okay, thank you.

Minister, obviously the sale of Bull Arm or potential lease has come up in recent time – and again, correct me if I'm wrong, my understanding is it's down to two proponents. Is the department leading negotiations with these proponents, or is it OilCo or a combination of both?

**A. PARSONS:** What I would suggest is it's a combination between our department and Finance. Although personally, I think we take the lead in terms of our relationships with the two different current proponents. OilCo is also involved in that, I guess, as the actual – it falls under OilCo.

Quite frankly, IET, as far as I'm concerned, is the lead of the whole thing. We answer the questions. We deal with the parties. But anything we do, including one of the reasons that we had a delay in this, was that Finance had to do that analysis as we went through the process.

So that's where we currently stand. I can go on further on Bull Arm where we are, it's more of a general as opposed to – but I'll leave it to you if you want to ask a question.

**L. PARROTT:** Yes, if you don't mind providing an overview, that would be great actually.

**A. PARSONS:** Yes.

What I would say is this: We went through an RFP process; everybody knows it. It was commenced, I think, a year and a half or two years ago and went right up until March of this year. Part of that was a combination of us doing analysis and Finance doing analysis, but I would split the blame evenly because we had to go back to the proponents and say, we need this. We need

that. We have to make sure you're compliant.

My guiding philosophy in all this is, I don't care what you have to do, just get it right. Don't be going through a half A-S-S process – am I allowed to curse, Chair? It's my last one, I don't care.

**CHAIR:** Spelling it works.

**L. PARROTT:** We won't call a point of order.

**A. PARSONS:** It's my last one; I don't care.

**CHAIR:** Maybe say donkey.

**A. PARSONS:** What I would say is this though, everybody in the province wants, if this is a possibility, the best process possible. We want the most information possible, so if it took a little bit longer for us to get that information, we would do that.

At the same time, the other thing about these processes is that, generally, nobody comes full value for a government asset; it's the same thing. I mean people have talked about Bull Arm for ages so we've come at it from a – we'd like to see it in private hands; we'd like to see more activity, but we want to get full value. The process got us there. We picked the two proponents. They both have their own partnership groups.

I will also say that we've had other people that have expressed interest so I'm not opposed to anything here to see if we get the best value for the province, which means whether it's a sale or whether it's a lease or whether there's no deal at all. So now that we have the RFP done, the negotiations have started parallel. We can deal with different groups and it's just about finding is there a sweet spot? Are there things they need to do?

Neither one was acceptable on its own in the sense of, oh, this is such a good deal; we're going to take it. I'll trust the staff of the

department and the other players, including Finance and OilCo, to do the job and then seeing when it comes along. No timeline. I think I've said this publicly, I'd like to see something happening at some point. We all want it to happen soon but, with an asset of that value, I recognize the harm encumbering it with somebody else and not having any say and not getting the full value of what we think we should get.

**L. PARROTT:** Just from my own perspective having been involved with the Hebron project extensively, the wind project in St. Lawrence extensively and, I think the minister will agree, I've been a proponent of something happening with Bull Arm, it leads me now to a question about timing though because it has taken so long.

We're looking at LNG NL, Bay du Nord, the possibility of wind projects and, from a logistical standpoint, I would argue that there's no better place in Newfoundland, and it's probably the only place that it's possible, to bring some of these wind turbines into when you're looking at power lines, turns in roads and other things that have to happen. Does the timing concern the department? It must, because I would think with the lack of resources from our ability to build in other places, if we turn this over privately now, will we be protected in trying to attract other people to come here and do that work?

**A. PARSONS:** I mean, look, timing is always a factor. I'd like to see it happen. I don't want to close us off from opportunities but I also don't want to, in haste, do something that prevents us from getting a bigger win.

I will say there are other parties, other projects, other options that have been presented to government that are massive in scope. There has to be due diligence done and we're willing to do that due diligence; because, at the end of the day, we all want what's the biggest and best and

what's the most comprehensive because there are different aspects to it.

I think Bay du Nord has been one of the driving factors of attention but it is far from the only possibility for that spot. So it's that sort of measuring and gauging it, because I'd like to see something happen but the thought of doing something thinking it's great and then realizing you missed out on bigger and better. At the same time though, you can't wait around forever for bigger and better, it has to be real.

**L. PARROTT:** Yeah, bigger and better obviously don't always come. We all get that.

LNG NL: It was a big topic for quite a time and then it went quiet. I'm hearing some ruffling and noise in the background again now. Is it still a conversation that the department is having? Is it falling off again?

**A. PARSONS:** I have not had any input from that group in some time. Any time they've requested me, we sat down. For my timeline – I have a pretty bad memory. When was the last time they were in front of us?

**OFFICIAL:** I don't know. Well over a year.

**A. PARSONS:** Well over a year since they were in front of us. Me and you both know it's not like there are people out there saying: Geez, we can't get a meeting with the department. We're pretty open.

The good news is that the work we're doing internally, independent of that – so Phase 1, which hopefully we'll get some news out on soon; then, we announced Phase 2 money yesterday. I feel more optimistic now than I did even a couple years ago, just because of the way things have gone globally.

Other than that, I don't know if you've had any input, Craig, from LNG NL? We funded them. I mean, we've tried to be helpful but just haven't heard a whole lot.

**CHAIR:** Next, the Member for Lab West.

**J. BROWN:** Thank you, Chair, and I thank the minister and his staff for being here today.

Given, like I said, the incentives, I know they've put money there for telecom for Heart's Delight, Holyrood and that area, is there any other on the list that needs to be done as well that the department is looking at for improvement to high-speed Internet and cellphone service?

**CHAIR:** The minister.

**A. PARSONS:** I'll make sort of a quick overview and then I'll probably turn to Heather who's in charge of that.

The first thing, I would lead off by saying absolutely there's a ton of work left to do. In terms of cellular coverage – and Heather could probably talk a little bit about the specifics from this year's budget in terms of the funding we have and the carryover. So a couple of things, the ones we just did was some money that had come from the police radio program that was left. There are still some others and that was based on a number of factors including proximity, including population size – a whole bunch of things. There are still a ton of places left to do and we're willing to work with anybody.

There's a list within government of just self-identified from people who have written to me, people that Bell or some other provider might identify or we've looked at and said, we've had representation from whoever. We've also looked at spots and I'll just use this as an example, Burgeo Road in my district. We did a Wi-Fi repeater thing down there because it was very low cost. It's very expensive to have cell coverage along 150 kilometres of deserted roadway. No provider is going to do it. It's crazy but we actually put in something that I think is a start in the right direction.

We've looked at what are other roadways that we could try that on, because it's low cost. The issue being, though, we need a local partner that can help with the day-to-day maintenance. If something goes wrong and something blows down, who can put it back up. If we need to put in a back-up generator in for some reason, who can handle that. In that case there's actually an Internet provider in Burgeo, BBS, that did that. I'm looking at the same thing in other places. It's already done, I think, up in Labrador in a few spots. So we're willing to look at that as well.

A couple of other things I would say, number one, and we forget this all the time, it's a federal obligation. It's a federal obligation; they need to get on board. They've been there for broadband; that's great and wonderful, but they need to come with more. They need to come with more. The second part is that we don't put enough pressure, by any stretch, on the providers themselves, not even close. That's like any problem that doesn't have a sole root cause, it becomes difficult because there are multiple parts of it and it becomes harder to combat that.

The other thing is that I think we're going to see massive satellite uplink of opportunities going forward in terms of not having to rely on towers and everything else. I just think we're going to see that in the next, I'm willing to say, five years but, like anything, they've got to figure out how to monetize it.

What I'll do is I'll stop now and maybe we can mention specific, what was in the budget, because I have no recollection off the top of my head.

**CHAIR:** Heather Tizzard.

**H. TIZZARD:** With respect to Internet, there's the Universal Broadband Fund that we're continuing to work on. So that work is continuing. Hopefully, it'll move a little more quickly as we move in the next year but

that's covering across – it will be about 2028 before that's fully implemented.

On the projects that you just mentioned, those three projects, as the minister referenced, that's from the radio projects. So there's \$2 million that Bell allotted for that project. That covers those three areas.

On the cellphone coverage, as the minister mentioned, we have the hotspots initiative that we did over in Burgeo. We had that Trans-Labrador Highway through that TI depot. As the minister mentioned, we are looking at other areas under that as well. I think that answers it.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you, Chair.

Given that we're seeing, I guess, tariffs one day, tariffs the next day, no tariffs and given that we've got a lot of hydroelectric work and Newfoundland and Labrador Hydro work, what is this department doing to cushion that, given that there's a significant amount of work being proposed even with the Bay d'Espoir 8, the combustion and turbine, and then possibly the stuff that's going on up in Labrador? What things is the department doing for Newfoundland and Labrador Hydro to make sure that they stay within budget or possibly of helping with that kind of project?

**CHAIR:** The hon. the Minister of Industry, Energy and Technology.

**A. PARSONS:** I can lead off on that. I mean, the good news is that, in a lot of cases, NLH is the people doing the work. We have full faith in them and their abilities to make sure they take these things into consideration. I can say, especially since the appointment of Jennifer Williams, I have full faith in them. That doesn't mean we don't scrutinize them and question them.

I haven't had anything brought to me specifically by Hydro at this point, to my level as to what is necessary. I know we have the contingency in the budget, I think it's \$200 million, to see what comes of that. I don't know if John might be able to speak to any conversations he's had on it.

**J. COWAN:** Not a whole lot of conversations with Jennifer on it. She has raised it. Hydro is watching it closely. You know, none of those projects are hitting the ground right now so we're still in this wait-and-see period but as they get closer and they talk to vendors and if those issues start to creep in, we'll certainly have those discussions with Hydro and we're here to support them, as required.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you, Chair.

Last year, I guess, the department put out the Business Stipend for businesses that were closed due to evacuations due to wildfires. Is there any contingency put away this year for the possibility of the same thing for either my area or any other area of the province that may be affected significantly by wildfires?

**A. PARSONS:** I might have to defer to somebody else. There's not a plan in place but given there was a willingness to do it last year, there would absolutely be a willingness to do it this year, and in fact we'd have the precedent in place.

It's our hope that it doesn't have to happen, but between within the other departments and the contingency, we're able to respond to that and hopefully don't need to.

**CHAIR:** The Member for Labrador West.

**J. BROWN:** Would the minister be able to share the amount that was spent for that project or, I guess, a ballpark of what was actually issued?

**A. PARSONS:** I'd have to check around here, I don't know if we actually have it – oh, Julian got it? Oh perfect.

Julian.

**J. LUDMER:** Yes, it was \$500,000 that was allocated for that fund.

**J. BROWN:** Thank you so much.

**CHAIR:** Go ahead, Labrador West.

**J. BROWN:** Thank you, Chair.

Also with that, I guess you guys are obviously keeping a close eye on tariffs and that. What is put away inside the department for the possibility to help businesses through this time? Other than the \$200 million, is there anything allocated or a program allocated for that?

**CHAIR:** The minister.

**A. PARSONS:** So two things. The big one, obviously, is the \$200-million contingency depending on where that goes. I mean, that was the main purpose of that and has some flex. We have nothing specific within the department because we haven't had – it's one of those things where it's hard to make a specific program when we sort of have that general fear.

We do have a fair amount of existing money within different funding areas, especially within the shops run by the ADM and the Associate ADM. So Julian can probably talk a little more about what we have there and how it can be applied.

**J. LUDMER:** Yes, we have the Innovation and Business Investment Corporation, which provides a lot of the support that we provide for businesses. We've recently had a meeting with the board of directors of the corporation to propose to them increasing some of the thresholds for support for a one-year period so that we can provide extra support to businesses that may be

impacted. That is working its way through approval processes right now.

**CHAIR:** The Member for Labrador West.

**J. BROWN:** Thank you, Chair.

Given all that stuff, I noticed – obviously, there's been extra travel and stuff that goes through the government and Premier's office and that. How many trips have the department or the Premier gone for trade missions, given the tariffs and trying to open up new markets?

**CHAIR:** The hon. the minister.

**A. PARSONS:** I can't speak to the Premier. We have to wait for those Estimates because I'm not sure. I know he's just recently back from Japan. I know he's been in Washington. Myself, so far this year – and I have a list of where we were last year and some of those definitely bore fruit.

It's funny, last year when we went, it wasn't really thinking tariff. We always think diversification and investment attraction and things like that. This year it is has been on our mind but we'll do the same ones again this year, in terms of Rotterdam for hydrogen. There'll be Houston probably for OTC and the standard with PDAC in Toronto. Other than that, I'm trying to remember where we've been so far in 2025.

**OFFICIAL:** Iceland.

**A. PARSONS:** We were in Iceland and that was on a renewable energy opportunity there, plus the fact that it's amazing how many similarities we have there. We're at PDAC in Toronto, which was mining, which as you know full well is the world's biggest mining show.

We were supposed to get to CERAWEEK in Houston, which is a different one in March. Unfortunately, I couldn't go because we had that bill here, that mirror legislation, so that shagged up the trip to Houston for

CERAWeek, which was the one where it actually gets a fair bit of attention and it was probably, for me, the preferable one this year versus going to OTC, CERAWeek. We had staff there and we do have staff that go to each of these and come back with a report.

Other than that, what I would suggest is it's across different boards. There's the Premier's office lead some and Tourism does some. We probably have a lot of the same ones, but we've been open to – and we look in opportunities as well. So, for instance, we'll get someone that will reach out to us and if it makes sense, we will go there.

We recently just talked to a crowd in NordSpace – I did something on this last week where they're going to have the first space port and rocket launch in Canada, I think, ever in St. Lawrence. So it turns out that they want us to come up and visit their headquarters just outside Toronto. There's actually a Canadian space agency show at the same time. So that's a new one that we've never gone to. If I'm not there, we'll have the staff there, because it's a new avenue that's not one we've ever gone to and it's exciting and intriguing.

Other than that, I can't think of anything off the top of my head. I have the full list from last year, so Houston OTC, PDAC, Rotterdam for the World Hydrogen summit, which is now the standard there. We were in Hamburg for a hydrogen expo and for the signing of an MOU. Japan and New York – Japan, primarily just to deal with the mining opportunities that we have there, and we saw sort of what came out of that. New York was just meeting with different people in terms of investments and, at that time, it was very much their worry is on the economic and defence security for the country, which is based on things like critical minerals where they look to us; Calgary, we had an Energy and Mines conference that they hold every year somewhere different, that was more about the FPT model; and

San Diego, last year, for the BIO International Convention, one of the biggest and they have that one every year.

There's a massive presence there for biotechnology medical technology. It's one that's really come on our radar in the last three years between us and Health because we see a massive opportunity there in biotech.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** (Inaudible.)

**CHAIR:** Oh, you're done. Okay.

The hon. the Member for Terra Nova.

**L. PARROTT:** Just a few more general questions before I go into some line-by-line stuff.

It's interesting you just said critical minerals, rare earth minerals, so on and so forth, I mean, the general consensus around the globe is that rare earth minerals are a bit of a race as to who can get there the fastest and produce the highest amount and the best quality and get it out of the ground and get it to market.

Search Minerals has a substantive find up there, obviously bordered externally by some radioactive till, and it's arguably the best materials in the world. Has there been any progress made in development up there, is the first question; and, I guess, the carry on to that is that, through the Churchill Falls MOU, we know we have an issue with power in Labrador, has anyone brought to the table the fact that we should be negotiating for access to greater power earlier in order to move some of these things forward?

I think it's one of the most important things we could be doing right now, actually.

**CHAIR:** The hon. the minister.

**A. PARSONS:** So I can lead off and then I'll turn to our new ADM, Paul Carter, to get into more specifics because he would probably have more day-to-day conversation.

So we are actively involved with Search. The biggest issue with them was getting themselves straightened out. Obviously, as we know and it is common knowledge to everybody, they had some internal issues, got taken off and they couldn't trade. They're just getting themselves back in order there with buy-in from, I think NunatuKavut is one of their partners in that. I've been meeting with them since they've been there. I've been actively excited for them and we want to help them get somewhere. Where we can help with that probably is with more exploration and things like that. I see it as a massive opportunity.

The stuff they've talked about also, in terms of processing, was extremely exciting because they want to do something here in the province. I'm happy to have the power conversation. They haven't come to us generally on that that I'm aware of yet but that's a part of the conversations going forward. Their last year has just been courts and trying to find money.

I'll turn it over to Paul, maybe?

**P. CARTER:** You know, not much different than what the minister has communicated.

We're actively monitoring the project to make sure that we're available to them and to help them through some of their issues. I mean, we're excited as well for the project and for the opportunity. They're not alone in terms of facing some of these challenges if you look at other rare earth element projects around the world. Certainly, from our perspective, the rare earth element extraction and processing is very important to us and how we might be able to participate in further building and developing that supply chain.

Ideally, we would like to be in a position where we can actually process our own rare-earth elements in the province and, as part of that work of course, we'd be actively involved and engaging with Memorial University, the College of the North Atlantic and we're having early discussions with them about their interest in that space.

Certainly, part of one of our outcomes and objectives of the critical mineral plan is to develop these supply chains in the province where it's economic to do so. Ultimately, we're working towards that. Similar to the minister's comment, they haven't really gotten to the point of talking about power with us in any detailed way but, certainly, we would actively work with Newfoundland and Labrador Hydro in terms of what an energy scenario might potentially look like for that project should it get to the point that it moves to development.

**CHAIR:** The Member for Terra Nova.

**L. PARROTT:** So I'm clear as to why the energy is important – it's an issue I've brought up here each year and I'll bring it up again now, I guess. If I visit Labrador West, and you look at thermal generation or any of the sites around the province – certainly, Voisey's Bay is a big one and a thorn in my side in many ways, not just because the fuel for thermal generation comes from Quebec, but because the fuel for thermal generation comes from Quebec and it's not because it's from Quebec.

We have an entity operating in the province and if you visit the site, every vehicle up there has a Quebec plate on it, every supply comes from Quebec City and the ship leaves Newfoundland empty on every single trip. It lands, offloads, goes to Quebec to reload and it's operating here. We're not capitalizing on the taxes or the opportunities that are here, as simple as registration of vehicles to a whole lot of other things.

So when I talk about power, I mean, I think we should be utilizing our own power. That's

an issue that exists in Voisey's Bay and it's also an issue that exists in Labrador West, and one that should have been addressed a long time ago. If we send a workforce to anywhere else in the country, we've got 10 days to change our licence plates over, our insurance and everything else, and those provinces capitalize on what we do instantly; yet we fail and have failed, certainly in Voisey's Bay and Labrador West, for decades.

**CHAIR:** The hon. the Minister of Industry, Energy and Technology.

**A. PARSONS:** What I would suggest is, it's certainly not the first time I've heard the Member bring it up, but I can honestly say I've never had a single solitary citizen ever bring it to me in that regard.

What I would suggest is this: I would be more than happy for you and I to have a conversation where we get into more details so that we can go to Newfoundland and Labrador Hydro and bring this up and see. Some of these things are, you know, fixable, possibly, some of these things may not be fixable but I'm happy to go at it and have a look-see. That's not a problem, but in terms of getting it from being brought up from other people within the industry or whatever, it's not something that is brought to me. It's just, honest to God, you bring it up. So if you bring it up, I'm happy to have a look.

**L. PARROTT:** Yes, I would say I've heard it from companies that operate on site up there, I've heard it from individuals that live in those areas.

What I would say is that you're not going to hear it from the industry players that are involved because they're saving money. It's a cost savings for them and it's a loss for the province so that's my point. I mean it's revenue we should be collecting –

**A. PARSONS:** Yes.

**L. PARROTT:** – versus going outside of the province.

Just a quick question, and we all know the answer, but every time we have the conversation – and I'll step outside of industry to a different industry that's not involved here – even the fishery, when we talk about how we price stuff here, certainly when it comes to our minerals and whatnot, I've always argued long that the two biggest issues we have here are geography and population. Geography because we're so vast and population because we don't have enough people.

The best way to increase that is through work and the one thing that we've failed to do very well here is secondary processing, as indicated, SEARCH wants to do. We fail in Labrador West with the exception of pelletizing of iron ore. We've managed to do some secondary processing with regards to Voisey's Bay which is great.

Is there a thought going forward that we'll try and do more secondary processing? The example I'll use is this: I had an interesting conversation with a fisherman the other day, and different industries but very similar. The question has always been why is the price of fish, the price of crab or whatever so different in Newfoundland than it is in Nova Scotia or other places? I would argue that in Nova Scotia they handle the product once and it goes to a plant and, not only is it frozen goods that go to market, but there's secondary processing and it's not handled most of the times.

In our fishery, we bring stuff in and we prepare it to go elsewhere for secondary processing and it's handled multiple times which, in turn, makes our product cheaper. Cheaper is great because we're just seen we are shipping product now to Australia in a large venture with our iron ore but we need to find a way to help our province, right?

A part of that comes through secondary processing, so has the department looked at any initiatives or any way to increase that?

**CHAIR:** The hon. the Minister of Industry, Energy and Technology.

**A. PARSONS:** I'll lead off on being facetious here but the department is in no way going to touch the fishery in any way, shape or form.

**L. PARROTT:** No, I'm not talking about the fishery, totally agree. I'm just giving an example.

**A. PARSONS:** And I've managed to get through a number of years.

**L. PARROTT:** I heard that's why you were leaving.

**A. PARSONS:** It's a conversation we're always willing to have. And what I would say – and I mean, it's not a conversation I've had to have now. It's a conversation if search had advanced to where I wanted and when I first got here, if they hadn't gone off the rails, maybe I could be involved in that conversation. I mean, a lot of these secondary processing, I wasn't here for the Voisey's debate and things like that.

I don't disagree with what you're saying, but I would point out that they are a heck of a lot more difficult than we often really give credit to. I don't want to criticize or applaud previous ministers, governments, premiers and all that, because I didn't know what they were dealing with. I have a little bit of insight on Voisey's because my father was involved in that, but that's just him telling me. And again, it's probably biased. He's not going to tell me if he screwed things up.

But what I would say is this. I don't disagree with the notion that it has to be a bigger conversation, and it can be. What I would say also, though, is that I think the department and the leadership of the

province, the big one where it came down to a lot of pressure to get something done and we fought back on that was Terra Nova. That was one where it was pretty easy to take what was offered and think it was the best thing. And it wasn't. To the point where we're like, no, we can't do this.

You know full well as I do, we would've gotten a bad beating if we hadn't done that. But the fact that we stood strong and then got the deal we got, that's the mindset that has to go into secondary processing. Because it's never going to be easy. The good thing, I think the province is in a spot with the resources we have spread across the gambit, we are not reliant on one, which is what I think allows to have the fortitude to push back when people say it can be done better elsewhere, cheaper elsewhere. Where we can push back and say, no, that's not true and it ain't happening.

That's where I think future generations of the leadership of this province need to keep in mind. Because if they say that it's behind us, it's not. We want to see development, we want to see processing, but not at all costs.

So hopefully that's where it goes, but I mean I get your point. It's the secondary processing that we need to see here in all aspects.

**CHAIR:** Thank you.

I now call the Member for Labrador West.

**J. BROWN:** Thank you, Chair.

Just a couple of questions for that. I want to ask the department, is the study for the third transmission line partnered with Rio Tinto and Tacora and Newfoundland and Labrador Hydro and the department, is that still on schedule for the study to be completed on time in the spring, summer?

**CHAIR:** ADM Paul Carter.

**P. CARTER:** I've been working together with Newfoundland and Labrador Hydro as part of that initiative, and the department has been active, of course. A lot of this relates back to perhaps some of the earlier comments, even, in terms of our ability to do more value-adding in the province and unlocking new projects in iron ore.

At present, my understanding, with respect to the process that's been engaged, you are correct, there's actually four participants. It's IOC Rio Tinto, it's Tacora, it's Champion Iron and, of course, us as government representing the Julienne Lake project are all participating in that facility's study to examine what the power demand in Labrador West looks like to support the high-purity iron ore development growth and what an associated transmission line should look like.

So that work is progressing. It is a rare and unique opportunity, perhaps, that you have four actual projects at one time looking at a common piece of infrastructure. It does allow for shared cost associated with that, which is very interesting as well.

I understand that the RFP has been issued for the consultant to complete the work and that Hydro are currently working through, back and forth, with potential vendors in terms of who may be awarded the work and that it would advance.

So it is active and progressing.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you.

Going back to the tariffs for a second, there's one more question I had for the department. Are you guys looking at wage subsidy or any other supports for businesses that could possibly directly be affected?

I know that there's been mention in the budget that this will have a significant affect on the forestry industry. Is there any work being done with that to support those workers?

**CHAIR:** The deputy minister.

**J. COWAN:** Wage subsidies would be IPGS. It wouldn't fall to us.

**J. BROWN:** Okay, that's my last question for this section.

**CHAIR:** Okay.

Back to the hon. the Member for Terra Nova. Further questions?

**L. PARROTT:** Just a quick question here now. Minister, I'm not sure if it's your department or not, but something tells me that it is. The Harvester Enterprise Loan Program, your department?

**CHAIR:** The minister.

**A. PARSONS:** I think we administer it, but it's an FFA program I would say, but we have the infrastructure to be able to deliver it and deal with the financial parts of it. Similar to I think there's a program in Housing that we administered. What else?

**OFFICIAL:** We did Housing (inaudible).

**A. PARSONS:** We did Housing. We did the Labrador business stuff. It's funny, sometimes it all comes to us because we have the people that can deliver it. I can't get into a whole lot of it, but I'll try.

**L. PARROTT:** So the question is: What has been the uptake this year, how much money has been released, and I guess the general size of all —?

**A. PARSONS:** Julian's definitely got all the answers for that.

**J. LUDMER:** Yes, to date, we've approved six projects; the total funding approved is \$3.86 million, so far.

**L. PARROTT:** Any idea if any of that money is going back to the fishery – small inshore fishing licences, that type of thing, if there's been ...?

**J. LUDMER:** Yes, the funding goes to either purchase of licences of fishing enterprises, or of new vessels, or repairs to existing vessels. So it's a mix.

**L. PARROTT:** So, just a question, if an individual – I guess the question is the process, because it's my understanding if someone goes to FFAW, they're just told that they don't – not FFAW, FFA, they get kind of pushed aside. Is it the individual's responsibility to come to IET? There's a lot of discrepancies there.

**J. LUDMER:** The way the process works is the harvester first has to go to their financial institution – a chartered bank or a credit union. They apply for a loan and indicate that they want to avail of the province's supports. The financial institution then has to review that application and then come to IET.

So it's the financial institution that comes to IET, that then requests that the government provide a loan guarantee and then, as part of that application, the harvester will request the other assistance that the HELP provides. Then IET processes the application that comes from the financial institution and we go from there.

**L. PARROTT:** Would it be the harvester's responsibility to notify the bank that this program is out there, or would the banks already know? Just so we're clear, so we know, the line of questioning is coming from the fact that we've had small inshore fishermen and others who have gone to the banks and haven't even come to this process. It doesn't go any further; it dies on the vine.

**J. LUDMER:** Yes, we have spent quite a considerable amount of time since the program was launched educating financial institutions and credit unions around the province. We have spent hours speaking to head offices and branches as well, because we wanted to make sure they understand the program, as well we've offered numerous seminars for FFAW and harvesters to explain program.

I think we're looking to do another round of those very soon now. But it's a constant education process to make sure everyone understands how it works and what their role is.

**CHAIR:** The minister.

**A. PARSONS:** Just to follow up to that, too, though, I would suggest if MHAs or people ever hear directly from people that would've wanted to avail of this, don't ever hesitate to reach out directly to the department as well and we can proactively do whatever we can to help or reach out. We have no problem with that, but a lot of this too is, like, we can do so much, but at the end of the day, making sure every single bank employee is doing what they're supposed to be doing or supposed to have done. But the whole point, we want to get this out to help people.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** I'm going to jump into some subheadings here now: 2.1.01.

**CHAIR:** We'll just wait, if I may, and if there are no further questions on this section, then we'll call that and then we'll move into the next section.

Any further questions, first of all, for this first section?

Seeing none, I'll ask the Clerk to recall the subheads.

**CLERK:** 1.1.01 to 1.2.03 inclusive.

**CHAIR:** Shall 1.1.01 to 1.2.03 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Against?

Carried.

On motion, subheads 1.1.01 through 1.2.03 carried.

**CHAIR:** Thank you.

I now call the next subheads please.

**CLERK:** 2.1.01 to 2.1.03 inclusive, Mining and Mineral Development.

**CHAIR:** Shall 2.1.01 to 2.1.03 carry?

I recognize the Member for Terra Nova.

**L. PARROTT:** Thank you, Mr. Chair.

2.1.01, Geological Survey: Under Transportation and Communications, can the minister explain the savings under the Transportation and Communications heading?

**CHAIR:** The hon. the minister.

**A. PARSONS:** I'll try my best, but thankfully Mr. Carter is behind me to pick up the slack. Actually, what happened there was we had less helicopter use than anticipated because all the resources went over to Lab West for the deployment during the fires.

I think that will be a theme I come up with a couple of times here in response to that. Ask the question, but I didn't even realize this until going through it. That was the money we didn't spend, it's because we couldn't.

**L. PARROTT:** Was any portion of that money transferred over to other

departments in order to pay for the helicopters?

**CHAIR:** The ADM, Paul Carter.

**P. CARTER:** In terms of that savings and to the minister's point, you'll see this kind of trickling through all of the branches within the Mineral Development Division. So that money, and more particularly, there was significant helicopter time that was planned for various surveys in Labrador, but also as well on the Island of Newfoundland.

In terms of the Labrador projects, of course, priority being given to making sure necessary helicopters were available to support the evacuations and forest firefighting efforts in the Labrador West and Churchill Falls regions over the summer. So some of that money that was used or allocated in those was then reallocated through other line items in the budget here to make use of the funding to support the critical mineral initiatives coming out of our Critical Minerals Plan.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Just a general question on helicopter usage there. A couple of years ago, I brought up here the fact that we had a Quebec company knocking ice off the power lines for the Labrador-Island Link and other lines up there. Full disclosure, in my previous life, I worked in the helicopter industry, and I can tell you right now, it's as simple as an SOP and the helicopter companies that are in this province can do that work.

Has Hydro made any effort to ensure that that work is carried out by Newfoundland – I mean, if we have contracts here with money allotted and budgeted for, have we looked at doing the work ourselves, I guess?

**CHAIR:** The deputy minister.

**J. COWAN:** My understanding is Hydro is using Newfoundland and Labrador companies. They have made an effort to use those companies, but I would have to confirm.

**L. PARROTT:** Okay. All right, great.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Professional Services, there's more than \$1 million overspent under Professional Services. Is there an explanation?

**CHAIR:** The minister.

**A. PARSONS:** I can give you the general, but then I'll defer to Paul to give you the detail. So the general is that it was the implementation of our critical minerals strategy, which applies to actually two or three lines there, some remote mapping. But I'll leave it to Paul to actually provide some meat on those bones.

**CHAIR:** Mr. Carter.

**P. CARTER:** Some of this work that's showing up in that location refers to the Critical Minerals Geoscience and Data program, where there were two geophysical surveys that were planned for Labrador. Some of the money associated with that program was derived from the federal government, approximately \$1 million. The timing of the money that came forward was a little bit later in the budget cycle.

But what we have done and the reason you do see that big increase in that particular cost category is that that work has now been secured, the contracts are in place and the budgeting item for it is allocated in this year but completion of the work will be finalized in the upcoming year. So the \$1 million and then the \$665 million associated with that is what that increase is.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** I'll go back again. We were \$1 million over budget and if it was planned, then you would think that money was part of the plan. So is it for plans going forward, or how did we go a million dollars over is the question?

**CHAIR:** Assistant Deputy Minister Carter.

**P. CARTER:** My apologies. No, it's not an overspend. It's just a timing issue. The money was anticipated to be available, but when the federal funding money arrived, it was a little bit later in the cycle. It is a revenue that is captured, albeit it's not captured exactly in this particular category here for this, but it is a revenue.

**L. PARROTT:** Perfect, thank you.

Purchase Services: There's more than half a million overspent in Purchase Services; is there an explanation?

**CHAIR:** The ADM, Paul Carter.

**P. CARTER:** Sorry, I apologize, it's my first time being actively involved in the questions here.

In terms of Purchase Services, there was some money that was moved from Transportation and Communications, which was the unspent helicopter money that you alluded to earlier. And then what we did with that money, of course, was to use it to our benefit in terms of preparing and further progressing work related to the critical mineral geoscience AI activities that we're currently undertaking. In terms of machine learning, programming, data sets associated with geological information, purchasing of satellite multispectral data for interpretation purposes and those types of activities.

So we took that money and made sure that we utilized it in terms of building out this

critical mineral geoscience initiative that we announced in the Critical Minerals Plan.

**CHAIR:** Thank you.

The hon. the Member for Labrador West.

**J. BROWN:** Thank you, Chair.

This past year, how many geological surveys were undertaken – I know you mentioned the Labrador one – and what are these geological surveys, what do they entail? What kind of work are you doing with these particular surveys? Is it for any particular element or is it for general survey?

**CHAIR:** The ADM, Paul Carter.

**P. CARTER:** In terms of programs that are currently undertaken over the year, there were approximately eight that occurred in Labrador, and similarly there were 12 projects that were taking place.

On the Island, we had various activities in terms of our mineral deposit section, our regional geology section, terrain sciences section and geophysical surveys that were being conducted. Similarly, in Labrador, we had various programs, as well, being undertaken.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you.

Will your department be able to provide more detail of the surveys and where they were located? Would you be able to provide that to us?

**P. CARTER:** I do have a map that shows where they are. So certainly, there's activity in nickel, gold, copper and zinc activity taking place around Hopedale, Makkovik area. In respect of rare earth element examinations, we have activity in Red Wine

district, Pope's Hill and Strange Lake area in Northern Labrador.

In terms of some of the regional geology studies, we have activity taking place in Central and Northern Labrador, west of Hopedale. We have activity in Harp Lake area of Labrador as well, which is somewhat similar to what I just mentioned. We're looking at the Ashuanipi Complex and the Seal Lake Group, which is a little bit north of Happy Valley-Goose Bay, but a little bit to the west.

In terms of terrain sciences, we also have some activity in Southern Labrador, Port Hope Simpson, and surficial sampling and mapping taking place in Central and North Labrador as well, north of Happy Valley-Goose Bay.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you, Chair.

Given all the work done there, can the department provide some update on the Julienne RFP and the work that's being done there?

**CHAIR:** Paul Carter.

**P. CARTER:** With respect to Julienne Lake, it is an initiative, of course, that we have been actively tying to our Critical Minerals Plan and its implementation. Of course, the province is interested in that and the minister's activity in having high-purity iron ore designated as a critical mineral within our provincial Critical Minerals Plan and, of course, the province's advocacy as well with the Government of Canada to also have it added to the Canadian critical mineral list.

As part of our interest to advance iron ore and high-purity iron ore development in the province, we did, of course, issue a call for expressions of interest for the Julienne Lake iron ore deposit, which is a deposit where mineral rights are held by the Crown. We

launched that process in late July, early August of this past year. The close for expression of interest was early December of 2024. We reviewed the applications that we did receive in terms of the expression of interest call and, of that call, we have now invited detailed proposals from various of the original submitters to the project.

So that current process that's open will close towards the end of June, at which time we'll review any of the incoming proposals, ultimately, with a view to enter into negotiations to look to see if we can finalize a developmental agreement for the Julienne Lake project in Lab West.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you for that.

From this past year, how many prospector stakes have been done in this past year and has the prospector program – have any improvements been made or is it no improvements been made this year; it's going to be status quo?

**CHAIR:** Paul Carter.

**P. CARTER:** In terms of prospector assistants in our training and our programming that we deliver, as you may recall, in our earlier years, the program was set up in a manner with respect to prospector training where there was a two-week course that one would have to complete, travel to the West Coast to Stephenville, if I recall correctly, for a two-week training activity and then followed by a couple of days of actual in-field practicum.

What we had observed was that, with respect to that program, it was challenging for people to participate in, given that fact that they did have to actually physically travel to Stephenville to complete the work. So we've now moved and worked with the College of the North Atlantic to develop an

online training program which had significant uptake in terms of participants.

I think for last year there was approximately 52 participants who completed the program and, similarly, for the upcoming year, we already have 41 registered participants. So we're very glad to see the numbers increasing and prospectors, of course, being very important to the discovery of mineral resource opportunities.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you.

And how many stakes were claims made this past year?

**CHAIR:** Paul Carter.

**P. CARTER:** In terms of claims staking this year, we have had approximately, if you want to talk about the fiscal year, 31,257 claims.

In fact, approximately 10,000 claims were just staked by a company in the Central Mineral Belt in Labrador, so that's very exciting.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you, that's quite a few stakes done this past year.

Right now, given that, is there any extra financial investment that will be made available to the prospectors this coming fiscal year?

**CHAIR:** Paul Carter.

**P. CARTER:** Yes, absolutely, in our Prospecting Assistance Grants, ultimately there will be prospectors who apply and generally we've been having that program fully subscribed, so we expect to see the same.

**CHAIR:** Labrador West.

**J. BROWN:** For the junior miner development and network, is there any increase into that budget this year?

**CHAIR:** ADM Paul Carter.

**P. CARTER:** Sorry, if you could repeat the question; my hearing is getting a little bad as I'm getting older here.

**J. BROWN:** No worries.

For the junior miner and development program, is there any investment or anything in that this coming fiscal year?

**P. CARTER:** So in terms of our Junior Exploration Assistance program, it's been doing very well. It's intended of course to support the junior exploration community. In terms of some of the numbers of what we're seeing, and if you recall as part of the provincial critical minerals strategy plan, we also added an additional \$1.3 million to that back in 2023, commencing in 2024.

At present, we have approximately for the year '24-'25, 35 exploration projects were supported. Of course, within that, 26 primary critical mineral exploration targets and nine others. The full JEA budget was delivered. In addition to the \$1.3 million that I mentioned, of course we also secured \$1.3 million from the Government of Canada, in terms of critical mineral-focused type activities, and also in addition to the \$1.3 million that exists more broadly for Junior Exploration Assistance.

So if you think about what's happened here and what we've done, and when you look at the breakout between a non-critical mineral versus a critical mineral project, we've seen about a 200 per cent increase since we've launched the additional \$1.3 million in the Critical Minerals program coming out of the plan. So we're pretty excited about all that,

a lot of activity and a lot of uptake in terms of this funding.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you.

Speaking of critical minerals, I was wondering if the ADM can elaborate on any work that's being done in Strange Lake this coming fiscal year.

**CHAIR:** Paul Carter.

**P. CARTER:** Yes, thank you.

So in terms of Strange Lake, it is currently very similar in that it's an exempt mineral land. Same as Julianne Lake, if you will, where mineral rights reside with the Crown. In terms of the Strange Lake deposit, we've had early conversations with the Nunatsiavut Government. Of course, the exempt mineral land is also a Labrador Inuit land under the Labrador Inuit Land Claims Agreement.

In terms of where we are with that, there are still discussions that would need to be taken, but there does seem to be an interest in potentially the project being developed at some point in the future. Ultimately as well again, this does tie back to in the earlier comments about value-added processing. Ideally, it'd be very important for us as a province as well that we would like to be able to process that material as well, in addition to just extracting it.

We will continue those discussions. It's not prioritized right now for us in terms of our approach to exempt mineral lands, but it's one that's certainly in view and when we do have the alignment with the Nunatsiavut Government and interest to proceed, we'll certainly be looking to do some more.

With that being said, of course, there is, as I mentioned earlier, from the geological survey perspective, we're doing work in the

area to better understand some of the geoscience around it.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Thank you, Mr. Chair.

2.1.02, Mineral Lands: Under Salaries, there's an overspend in Salaries. Is there an explanation?

**CHAIR:** The ADM, Paul Carter.

**P. CARTER:** This is related to, and if you think about what's been going on in the province with respect to claim staking, there's been significant claim staking occurring in the province over the last number of years. A significant portion of that, of course, being attributed to the ongoing gold exploration activity in Central Newfoundland.

As a result of when you do have these very large amounts of claim staking taking place – and it's been happening for the last number of years – additional staff were brought in to handle and process these applications, to follow up monitoring of exploration activities, the collection of fees associated with the monitoring associated with all of these activities, new quarry developments taking place, monitoring of quarries, permitting, renewals.

So we did add additional staff to the department. It was done on a temporary basis, but we're still working through, managing, if you will, the abundance of applications that are necessary and regulatory processes associated with them.

**L. PARROTT:** There was a \$46,000 overspend under Purchased Services; is it safe to assume that that was a part of your previous answer?

**P. CARTER:** The Purchased Services issue largely relates to our online payment system and fees that are associated with the

service provider who does that. Not much different than any company, if you will, using a credit card and there's a fee that has to be paid. So that cost is a little bit higher, of course, because of all the new activity, ongoing, in terms of claim staking and processing of those applications.

But we are, of course, looking at alternative methods and changing the service provider, so we do expect that those costs may come down and looking at other mechanisms to deal with these types of applications.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Last year we passed new legislation with regard to just regular quarries, and I'm just wondering – and the minister knows, and as he knows for certain, we've had our share of troubles. But I will also say, from my experience, most of those troubles exist outside of the department more so than inside the department, whether it's rezoning inside a municipality, or applications not being filled out the right way or other departments not upholding their end when it comes to EAs and other things that have to happen.

Hard to tell whether it works, and it's pretty early in the process, but have you guys found that this streamlining process is better or worse? Has there been an uptake in the sharing of quarries and those types of things that it was designed to do?

**CHAIR:** The ADM, Paul Carter.

**P. CARTER:** I really apologize. If you could repeat the question again because –

**L. PARROTT:** I don't even know what I said.

**P. CARTER:** That's why I asked you to repeat it.

**CHAIR:** The minister.

**A. PARSONS:** I think the question was whether the act has had any effect thus far on quarrying process applications within the department. What's the uptake and what's the feedback been so far?

**CHAIR:** ADM Paul Carter.

**P. CARTER:** Yeah, absolutely. As you know, we are moving through the *Quarry Resources Act* and changes being made to it. Ultimately, you know, we're working through some of the ministerial regulations right now based on the consultations and feedback that we have received, with a plan to get that proclaimed as soon as we can, assuming everybody is agreeable.

Now, the issues around quarries, it's a busy, busy space. If you think about what the province is doing with respect to new road infrastructure and plans for highways and these types of things, we are trying to build out the appropriate complement of persons to manage those quarry applications, follow-ups and whatnot.

Certainly it's very active. It's not without its challenges, no different than anything. But we're certainly trying to get a grip on it and advance applications to the best of our ability. Generally, we do have some people who are very pleased. Sometimes you don't get, you know, happy people. But you've got to play by the rules.

**CHAIR:** I'll direct Broadcast to the minister.

**A. PARSONS:** I can just follow up on that, just to put my thoughts out there. Coming at it as a person who, prior to being in the department, had no quarry involvement, didn't deal with it, just wasn't part of my life, so I come at it with no bias, what I can say is that the steel line from the former ADM who is retired – and we wish him well, Alex Smith. Alex said a lot of times there was sort of a wild, wild west feel to quarrying.

Some of the complaints that have arisen come out of people not liking change, and

us having a resource and needing to protect it. I agree with what he said, and I also feel that there's no – and I appreciate the Member's comments, like it's easy to blame one person or another person, but it's not.

There have absolutely been cases where people inadvertently filled it out wrong. There are some cases where people have been – what's the word I'll use – slippery. There have been times when the department needs more information from other departments or has pushback from municipalities. There are other times where maybe we need to get on it quicker, too. We've tried to put in systems where if it's urgent roadwork or a current contract, let's get on it.

You'd be shocked at how many people come to you and say, I need this done right now. Then you're like, well, give me the project and they'll give you the project. It's a finished project. I was, like, what are you doing? Like, you know you're being an idiot here, and they're like, yeah, okay. That's honest to God some of what we've seen. I've met with the associations, the different contractors.

So we want to be as responsive as we can. We try to be the best we can, and it doesn't mean we can't improve. But I think some of this, too, is evolutionary in nature in that people realize that it's not the same way that it has been. I know people are sitting back and waiting to see somebody lose sight of one of theirs or fool up the paperwork and spring in on that. I mean, it's been an eye-opening experience.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Yeah.

I mean, I would say that, from my own experience, the general contractor that supplies sand or Class A or Class B, or any kind of aggregate, that forgets to renew their permit in January and all of a sudden it's an

issue because they got to do work in May or June, it's their own fault. You know, if there's a road going down to Bay d'Espoir Highway and there's an inactive quarry that needs to be reactivated, then it becomes urgent. We get that.

**A. PARSONS:** Yes. Absolutely.

**L. PARROTT:** From my experience, and the minister knows – and, certainly, I'll go back to Mr. King. He's been a great help with projects and certain things we've had to have that were actually urgent and it's worked out okay.

The one complaint I would say and, I guess, part of the question I had is that industry has had some – before, as an example, I could go to someone and ask for a subordinate. We could do this subordinate through the department; it was mutually agreed upon and reported. It seems as if now the new legislation puts a portion in where there's an expectation that the subordinate is going to be given, and it's not always going to be given, and I'll refer back to something I said when we were passing the legislation.

If company A and company B require a subordinate permit in order to excavate from a certain area, the Department of Transportation hasn't opened up their quarries in the same manner when it comes to subordinate permits, and I think if government is going to insist that industry does that, then they have a responsibility to allow people to access those quarries too without taking their materials that they had processed.

**A. PARSONS:** My one comment to that is that it's absolutely worthy of consideration within the department and the partners. Absolutely.

**L. PARROTT:** I just want to go to, again, something me and the minister discussed in the past and just because we're here and I'm out of subsection 2, but when it comes

to mining, and this is broad but I'm going to go right to the current project that's on the go with regards to workers coming from out of province – and I know it's been an issue everywhere. I will offer a solution before I ask the question, and often we're accused of not offering solutions.

So I would say the solution is this: If we have any project or contract that we have with an outside entity coming in here for construction and the thought is that's it's going to be – I'll just throw 90 per cent as an argument – 90 per cent employment locally, that 90 per cent should be for each sub-component of each contract that that contractor lets out, not 90 per cent overall; because, what we're seeing are companies coming in here now, and a great example is Gisborne who are in here now.

They hired janitors, cooks and stuff in order to meet their manning mandates, and they're bringing mechanical outfitting people in from out West, and tradespeople in this province are left out high and dry. If we are to succeed going forward, we have to find a way to push our apprentices forward and employ our journeypersons and make sure that we are equipped with the people we need here, and there's a way to circumvent that number right now whether we think there is or isn't.

We can oversee all we want, but they are hiring local when it comes to the lowest value jobs and a lot of them are bringing in – and they have to bring in a certain amount of their own people; I get that. You know, this is how businesses succeed. But we should not have boilermakers and scaffolders and OEs and those types at home when there are people here from British Columbia working for that company.

I don't know how we fix – well, I do know how we fix it. I think my suggestion does fix it, but is there a plan going forward to look at doing things differently, I guess, is my –?

**CHAIR:** The hon. the minister.

**A. PARSONS:** I'll jump in first and then, again, I can only speak from my level of experience and I'll toss it over after.

So there's sort of the current and then there's the going forward, and I think going forward, yeah, if that hasn't been a consideration then we absolutely can have that conversation and see, not what are the pros and cons, but what we can do and what are the impossibles to do going forward. I have no problem taking advice on that.

The current situation may be a little bit different depending on how the specific benefits agreement is written. Unfortunately, a lot of this is complaint driven. We can't do anything until people come forward. You're absolutely right in that people will try to slip one by every time; we had that one recently where complaints were made. We have activated and, in fact, I think we've made a fix to what was brought to our attention, and I don't think you're ever going to fix that.

That's no different than in policing. You can't have full on policing deterrents all the time, it's impossible just with the resourcing, but that doesn't mean that we can't take it into consideration going forward. I mean, why not? If that's a solution then we'd be silly not to strive to implement it.

I don't know if John has anything to add to that? You don't have to –

**CHAIR:** The deputy minister.

**J. COWAN:** Yeah, I would just agree with the minister.

I mean, we certainly have a monitoring process in terms of like benefits and what the company's obligations that they're supposed to provide in the province are, but certainly, if anyone sends in a letter, identifies an issue or a problem, everyone of those have been investigated.

**CHAIR:** Okay. Thank you.

Given it's about half way and we're at a break between speakers, I might propose a 10-minute recess. So be back here at 10:46? How's that?

### Recess

**CHAIR (Trimper):** Okay. Thank you.

We're back in action with the Estimates of IET, and turning to – where was I?

The Member for Labrador West.

**J. BROWN:** Thank you, Chair.

My, I guess, just one last question for this section and probably for the minister is, given that we have two gold projects that are going to come on stream now in this fiscal year – you know, we were talking about that – but are there any other projects or anything like that that are getting closer that the department is helping to move along? We discussed Search Minerals; are there any other projects that we should be aware of or that the government is working with to get to the point of development?

**CHAIR:** The hon. the minister.

**A. PARSONS:** I'm happy to lead off, and then I'll again defer to either the deputy or the assistant deputy minister who might have – well, who do have – a better recollection than I have.

I'm obviously excited to see Calibre and where they are now for talking. That's one of the ones you led off with. Then Maritime's news, what they've been doing this year, and in fact, just getting a \$20-million placement yesterday, Eric Sprott continues to be – like, that was above and beyond where they thought they would be. I can tell you that we worked especially close with both to try to get them there; down to nitty-gritty things, to even forming relationships with them and being able to talk about the

things that we could do as a department. There are times we can help and there are times that we just sort of had to provide that moral support.

When you look in Labrador, obviously Lab West is one thing. If anything there it's just about the continued expansion of the opportunities. You don't need a lesson from me on that; you know it better than me. Obviously, Julianne Lake is a massive opportunity there. Then we look at Search hopefully getting back on track. Personally, I think the biggest thing that we can do there – there may not be anything that's active-active. I know there's Strange Lake and uranium and, hopefully, we'll see more of this.

The big challenge we have is that, when you have a budget like this where health care continues to take massive amounts of money, roadwork, things like that and things we all want, but I believe Labrador has a ton of space that's not even looked at yet. We have to find ways to explore more prospecting, more exploration, you name, I think Labrador is very underexplored from my experience, and I bet you would probably share that and I know people in the department do, but it's always this sort of challenge of – where do you put all the money? I can make an argument that all the money should go into the department and then it would generate that return.

Right now, CFI down in Marystown, obviously we've had an active role there. We want to see where that goes. There's more in the Central area, in terms of New Found and others. The name is escaping me now, the Cape Ray gold deposit used to be – AuMEGA now?

**OFFICIAL:** AuMEGA:

**A. PARSONS:** So AuMEGA, the Southwest Coast is absolutely a positive and it's one that I've seen sort of first-hand myself being down in that area.

FireFly in Baie Verte: big moves going on there from the day where – you know, I literally had to go to Baie Verte, the day that it closed, which was like, oh, you have to give the guest speech at the funeral, which was awful, to seeing where it is now. So I credit them for their perseverance.

What Sokoman and Benton are doing in terms of lithium on Southwest Coast is a big, big opportunity there. They've secured American funding and exploration funding, which is what we want to see. There's a lot more going on. I've heard from Triple Point and Triple Nine, Atlas over on the West Coast. Atlas and what they're all doing there, you know, the multiple possibilities. I don't know if I've left out anything that's obvious. That's just the top of my head right now.

If anything, mining, and I've said this in the House, does not often get the attention. It's that slow and steady, always there sort of behind the scenes. It doesn't get as much attention as something new, but it's always reliable and has been and will be. We have to continue to make sure that we invest properly in it and do what we can to nurture it along, because it still has a massive amount of future return on that.

I mean, there's still a ton of prospectivity; there's still a ton of the product itself.

**OFFICIAL:** Yes, I think you (inaudible.)

**A. PARSONS:** Holy! He's telling me I got it all covered. There's nothing else.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** That's good.

Thank you, Chair.

Just, I guess, one last question for this section there: Can the minister or the ADM or DM provide an update on our liabilities with closed and abandoned mines?

**CHAIR:** Paul Carter.

**P. CARTER:** Yes.

In terms of orphaned and abandoned mines, of course, these are mines that are now defunct and operators are no longer around in the province. They can range from some with some significant liabilities to others that are much smaller in nature. It could be an exploration site byway, for an example.

In terms of liabilities that are on the books, the number I believe is around \$100 million. That was associated with two larger legacy issues in the province with respect to Consolidated Rambler tailings and some of the past workings in the Buchans area. They are the two main ones.

**J. BROWN:** Thank you. That was my final question.

**CHAIR:** I now ask the Member for Terra Nova.

**L. PARROTT:** Just a couple of more questions, I guess, related to mining.

Earlier I asked a question with regard to electricity, specifically with Search, but the minister just covered a whole lot of potential here in the province. I mean, a massive amount of potential, and I would argue, and again he and I have had this conversation, that a lot of people think that oil and gas is our future, and I'm one of those people, but I also believe that our mining sector is second to nowhere in the world.

When I asked about electricity, the response was: Search hasn't come to us. I know the world knows we're open for business, but I still think with the Churchill Falls MOU, the CF2, the new turbines coming for Churchill Falls itself, the expansion, when you look at the issues in Goose Bay and the issues in Labrador West with regard to power and the ability to

expand and you look at what's happening in Vermont and what they've managed to do because of our electricity. I know that these negotiations are separate and being done by different people but I can't stress enough how important I think it is for us to gain access to extra electricity prior to 2031.

I'm wondering if that has been a part of the conversation, because people coming to us asking for power is one thing, but we know that we can utilize that power tomorrow if it's there, whether it's Labrador West or Goose Bay or anywhere. Search, as an example, or other places, knowing that we have the ability to provide clean green energy is very enticing to them and timing is everything, I guess, right?

**CHAIR:** The minister.

**A. PARSONS:** So I'm going to take a shot at it and then, of course, I'll leave it to the crowd to clean up the mistakes.

We've been aware of it and that's why we've had, working with Hydro, the transmission line study. Prior to the Churchill Falls MOU, we had already begun that work to see, because we knew there was power demands but trying to sift through what's real and what is not. As we've said before, I think, we had about 8,000 megawatts and people said, we want this. Then, when we went back and said, okay, we're going to do a study, and then: but it's going to cost you to do the study and then it was, like gone and went down to 2,000.

I would suggest that we're already there; we're already looking at that and having those conversations and then Churchill, which is happening parallel, comes along.

A couple of things I would like to toss in the mix, some of them are tossing in their own green generation opportunities. That's part of the plan going forward and looking at wind and looking at things like that. The other thing that I keep getting told and, put it

this way, I have no problem exploring transmission generation or whatever access prior to the current scenario, it'll be on somebody else but a lot of them keep telling us that the timelines fit well with their proposition as it stands.

Search is at the point now, 2025, where they're just getting themselves back up to where they should have been probably two or three years ago. It probably ties in with the conversation now. I mean, I'll defer to the crowd here if I've missed anything else we should add, but I think it ties in.

Now, if someone walked in the door tomorrow and said, listen, we have this massive new opportunity and we haven't talked to you about it before, let's have this conversation; then we will always put ourselves into solution mode of finishing how we can make something happen or figure something out. We've done that before but, right now, we haven't been pressed with that. I'm not saying it's not there and not saying we wouldn't do it, but that's just sort of where we find ourselves at the moment.

Good?

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Yes.

So again, I'll go back to the mining industry and I'll say, obviously the chaos, the mayhem – I won't say what I want to say about Donald Trump but the things that we have been dealing with – Labrador in particular but Newfoundland and Labrador provide an awfully rare opportunity for us to be not just leaders in North America but global leaders when it comes to rare-earth minerals.

I'm not certain that a lot of people understand when I say when we look at the Shield that surrounds Labrador and makes our rare-earth minerals so much more

valuable when it comes to uranium and iron ore, protecting any water from getting near them and the things that are required, has there been any conversation, I guess, with the feds?

I would argue it's the feds that would have to do it but, as a rule, from a provincial standpoint, rare-earth minerals are the key to Arctic sovereignty and to military defence on many levels going forward, whether it's for Canada or for the United States. From a negotiating standpoint, we've seen what the United States has tried to do with the Ukraine in order to access their rarest minerals, which are nowhere near what we can supply, have we utilized that to the potential that we could as a bargaining chip with regard to tariffs and other things?

**CHAIR:** The hon. the Minister of Industry, Energy and Technology.

**A. PARSONS:** This is not new to me, as I said, having gone to a place like New York last year and meeting with pretty significant investors. One of the guys we met with was on Trump's first transition team. It was a guy who works with BlackRock type people and just massive, massive money people, but also, they have one goal there which is just to win.

I have no doubt they have thought about that up here. They know what's going on. There is a reason they're looking at Greenland, there's a reason they're looking at the Arctic and there's a reason we are on their map as well. There haven't been a lot of conversations with the feds recently on it because, in fairness to them, I mean, they're so caught up in the show that is up there.

If you take the political side of it and with an election and a leadership and all that, then you throw in the tariff conversation and everything else, I'm not saying it's not going on but we have always sat here saying we are willing to engage in that conversation. We have what the world needs, and I would

wager a guess that we spent a lot of our time over the last few years doing exactly that: going out and telling people what we have and trying to get us on the map because it's hard.

I would suggest that we need to get the political uncertainty in Ottawa out of the way right now and some of that will be gone come the end of the month, again an election. Whoever it is, hopefully, they'll just come in and get back to getting stuff done. The other side is that, with what's going on down south, I have no doubt that's what they have their minds on – no doubt.

**L. PARROTT:** Okay.

I'm done with subheading 2, so if we want to –

**CHAIR:** Okay, thank you.

No further questions, I'd ask the Clerk to recall that grouping, please.

**CLERK:** 2.1.01 to 2.1.03 inclusive.

**CHAIR:** Shall 2.1.01 through 2.1.03 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subheads 2.1.01 through 2.1.03 carried.

**CHAIR:** I'll now ask the Clerk to call the next grouping.

**CLERK:** 3.1.01 to 3.1.09 inclusive, Energy Development.

**CHAIR:** Shall 3.1.01 through 3.1.09 carry?

The Member for Terra Nova.

**L. PARROTT:** Did any of the on-land wind energy proponents submit community benefits plans yet or have there been ongoing conversations with regard to the community benefits agreements?

**CHAIR:** The hon. the minister.

**A. PARSONS:** None have submitted yet so we haven't had a chance to have a crack at that. It will have to come before they get anywhere sanctionable, we'll say.

Craig might have some detail.

**CHAIR:** Craig Martin.

**C. MARTIN:** We have been in contact with all of the proponents; there have been discussions going back and forth. We have communicated with all of them in terms of what the elements and the expectations for benefits agreements are going to contain and that.

In terms of the levels of engagement, they vary by project depending on how far progressed the projects themselves are at this point in time. Again, we've got some projects out there with actual offtake agreements in place. We've got others that they're still not progressing as quickly as they had originally anticipated. It's a mix there in terms of where they actually are from a total progression perspective, but no benefits agreements are actually executed at this point in time.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** So the expectations have been passed onto the proponents; can those expectations be tabled in the House? Is it something that we can be aware of or is it confidential?

**CHAIR:** The hon. the Minister of Industry, Energy and Technology.

**A. PARSONS:** What I will suggest before I say yes, we'll take it away and if we are able to I can.

I have no problem putting what our expectations are but it also may evolve and change. I mean what it is today may change because there's that much fluctuation going on, but if there's anything I can put out there, I'd be happy to put it out so people sort of know where we're coming from.

**CHAIR:** The Member for Terra Nova.

**L. PARROTT:** Okay.

Under 3.1.02, Supplies saw an overspend of \$385,000. Is there an explanation?

**A. PARSONS:** I think, and Craig might have more, this had to do with the natural gas resource assessment project and software maintenance. There might be some accounting stuff in there so I'll leave it to Craig to provide the detail.

**CHAIR:** Craig Martin.

**C. MARTIN:** Yes, that's where the Petroleum Geoscience Division sits. What you're going to see there is one-time money in '24-'25 for the natural gas resource assessment Phase 1 that was undertaken, and just literally, very recently, completed from a technical perspective. Then in '25-'26, you're going to see actual new one-time money. You'll see that one-time money coming out but you'll see new one-time money coming in for the approval of the Phase 2 in the budget that was announced yesterday.

So what you're going to see there is that funding was put in certain categories, but in terms of where the actual expenditures hit, some of them would have hit in other areas. Like, money might have been put in Professional Services, but when we actually went out and bought our Petrel software, it was a Purchased Service so the money had to be reallocated across the categories.

That's really what you're seeing in this account overall in terms of the changes – one-time money, each of the years, in order to support those specific projects.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you, Chair.

Would the minister be able to update us on the potential of the sale of oil and gas assets that are held by the province? Can the minister give us an update where that is right now?

**CHAIR:** The hon. the Minister of Industry, Energy and Technology.

**A. PARSONS:** Absolutely. It's not the definitive answer, but I can sort of give you where we are.

There has not been the final decision made yet. There has been a process undertaken with the purpose of determining what is the value and then a decision can be made. We're just not at that decision point yet, whether it's the sale of equity in the current projects, the prospect of equity in Bay du Nord as well as the sale of OilCo.

My thoughts are this – and this is my thoughts, not necessarily the department or government's – the sale of oil and gas equity carries more than a dollar figure with it, it also carries with it a perception. So I've been clear that if we were to ever divest of the equity that we have, you want to have your socks blown off with the numbers. You want them to be big, because some people will look at it and not see a business decision but see you giving up on an industry.

I'm very hypersensitive to that ever since getting in here because you become cognizant that even the slightest thing can stir emotions in people directly and indirectly connected to the industry, going right back

to when there was that rally out on the steps. So what I would suggest is that it's not just a pure business decision. If this government or some government makes that decision, I do think they have to carry that. You know, if you're looking at the numbers, the numbers better be big.

The other thing, too, is sometimes you're doing the process at the same time that the changes going on globally and geopolitically move faster than you can actually do the analysis on it as well. I mean, just looking at the market the last two weeks and the prices and everything else, it's all over the place. So no decision as of yet; I don't know if that timeline is on. I know the analysis was done or was being done or should be done.

That's probably the best I can put out now. I don't know if I've missed anything.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you, Minister.

Now moving to the next industry there with that with the green hydrogen and wind hydrogen projects and stuff like that, I know a lot of them are tampering expectations now. We've seen a downgrade in the possible revenue that made. We've heard stories over in Germany where there was some criminality and stuff going on over there with some of their funding and stuff like that for those projects.

I was wondering with the department internally, have you guys adjusted your projections and stuff for these projects and the possible output or revenues that could possibly be generated, given that the world's thing for it all has tampered a little bit?

**CHAIR:** The minister.

**A. PARSONS:** The most we might do is feed into the budget process if there was any change there based on what the project

proponents are telling us, but to be quite honest, it hasn't given me a tremendous ton of concern because at all points I think we have been very rational about this and not getting caught up in the hype.

That doesn't mean we don't get excited but, I mean, even going back three years, I would tell people this is exciting but don't think it's Hibernia exciting. It's not the same. It's different things. I think some of the proponents themselves, certain ones in particular, have been guilty of causing a lot of the hype. I think federal governments, ours and others, have sort of put these timelines in that were super ambitious, at best, and they weren't shared by all of the proponents.

Sometimes, too, you get caught up in this movement where everybody's talking about the first mover. Everybody wants to be that first mover and get there, get in the supply chain and get everything else. That causes other people to move and then, the reality is that the other side's not ready. Offtake is still an issue because we need to figure out what is the consumer willing to pay for that.

Overall, I still feel very good. Our biggest thing is that we accept the projects based on certain parameters and we're willing to change the parameters as long as it doesn't affect the materiality of the project and the criteria for which they were selected. But we're also cognizant, and I've said this before and I'll say it again, no industry involving resources starts off flying. You have to crawl before you run. This one is no different and we're willing to be patient. I do feel sometimes that the scrutiny that they get is frustrating from people that are against it. There are some people that are against it and have valid questions. There are some, it doesn't matter what you say, they are there.

Like I say, given the fact that oil faced challenges like that decades ago – and it wasn't until people like Crosbie and Mulroney took a chance and, in that case,

that was a massive, massive investment of taxpayer dollars. We haven't even made that massive investment so I'm willing to give them a chance and I'm willing to put out that it's a great opportunity for the province, but that doesn't mean we won't keep an eye on it and protect ourselves all along the way.

**CHAIR:** Labrador West.

**J. BROWN:** Yeah.

I know one proponent even talked about switching from hydrogen to powering data centres or anything like that. Would that change their whole scope of anything or would the department like that, because it seems like it's kind of (inaudible.)

**A. PARSONS:** I'll be as diplomatic as I can be, still is nothing on my desk about that so, as far as I'm concerned, it is what it is.

I would just say though, some people sometimes make comments and they don't realize that other people might be interested in those comments. They probably shouldn't make those comments.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Perfect. Thank you, Minister.

Can we get an update on the Renewable Energy Plan? I know there's a second phase that should be updated soon.

**A. PARSONS:** I gladly turn it over to Susan, who has better insight than I do.

**CHAIR:** Susan Wilkins.

**S. WILKINS:** Hi. Thanks for the question.

We're currently in our fourth year of the five-year plan. We've made significant progress over the first three years with the establishment of the renewable energy industry.

Just some highlights from this past year: We did release the *Hydrogen Development Action Plan* last May. We're working through that; that's a three-year plan. We have the six companies going through the regulatory process in government and we're supporting that. We've also launched the Regional Energy and Resource Table with Natural Resources.

Those are just some key examples from 2024, but I'd be very happy to sit down if you wanted to go through any more detail.

**CHAIR:** Labrador West.

**J. BROWN:** Thank you. I appreciate that from the ADM there.

How much, right now, would be our liability for any orphaned or abandoned wells or anything like that? Where are we with that?

**CHAIR:** Craig Martin.

**C. MARTIN:** So I don't have that number with me here now but, generally, I know there's one orphaned and abandoned well on the Island at this point in time that we are currently overseeing. The company it's likely there will be no recovery, but we're still working through that particular piece in terms of the company itself as to where it would sit.

In terms of the offshore area, that would be all be under joint regulation with respect to the board and that. So when we talk about orphaned and abandoned wells here in this circumstance, it would be solely what's within the land portion of the province, either on the Island or Labrador.

**CHAIR:** Labrador West.

**J. BROWN:** Thank you.

Yeah, perfect. That's what I was referencing was the ones out on the West Coast there.

The hon. Member for Terra Nova mentioned it a bit there too, but with the natural gas plan, I guess, (inaudible) when can we see any timelines on some of that work that's coming from the department on release of the so-called plan or the work that's being done?

**CHAIR:** The hon. the minister.

**A. PARSONS:** I'm saying soon as in hopefully real soon. I look back at Tansy because she might even know better than me, but I wanted it out soon. It just didn't time in with the budget yesterday and the announcement of Phase 2.

What I would say is Phase 1 was good enough that we went and got the money for Phase 2. So it is good news. I can't wait to get it out there but we got to figure out a few things. Hopefully, I'm talking soon.

**CHAIR:** Craig Martin.

**C. MARTIN:** In terms of, again as the minister indicated, the resource assessment Phase 1 is completed. The technical report that was done by the geoscience group is completed as well. What we're trying to finalize at this point in time is the public report, actually taking the technical data and reporting out on it.

**CHAIR:** Labrador West.

**J. BROWN:** Okay. Perfect.

Thank you, Chair.

With so many benefits agreements or definitive agreements out now with the MOU coming out, what is the department's role now in the negotiation side of things? Are their assets allocated from the department itself to work on this as well?

**CHAIR:** Craig Martin.

**C. MARTIN:** In terms of the benefits plan with respect to the MOU and that, that

would have already existed under the existing one that covered both Muskrat Falls and the Gull project. There may be some refinement within it as such in terms of how they deliver on it and the details, but all the elements and general commitments already all exist.

**CHAIR:** Labrador West.

**J. BROWN:** (Inaudible) was talking about the negotiations themselves. Is the province themselves part of the negotiations or have their assets allocated for the negotiation?

**CHAIR:** Back to the minister.

**A. PARSONS:** It's primarily led by Hydro and the committee with us and finance providing support to them. They are the lead on it.

**CHAIR:** Thank you.

We'll turn to the Member for Terra Nova.

**L. PARROTT:** I just have a quick question on abandoned wells. This is just my brain; I think it works a little different than most people.

The whole idea that we may have an abandoned well, or we will have multiple abandoned wells, also opens up the new legislation that we just passed for the Atlantic Accord with adjacency and another company's ability to come in and take advantage. So has anyone looked at any parallel assets in association with abandoned wells and our ability to utilize them to access other wells at a much cheaper rate?

**CHAIR:** Craig Martin.

**C. MARTIN:** There has been some recent interest, not from an oil and gas perspective, but actually interest in naturally occurring hydrogen and utilizing existing wells. We've had two companies actually approach us on that from a concept

perspective, as opposed to a definitely wanted to take over a well practical perspective at this point in time.

So that is something that is being looked at; however, we do have to establish a regulatory regime for that and that is something we're looking at right now, because the product or the mineral –

**L. PARROTT:** It's a different product.

**C. MARTIN:** It's an actual mineral, at the end of the day, from the perspective of meets it under the *Mining Act*, but the regulatory regime associated with it would be completely different than mining.

So that piece has happened. It's percolating there at this point in time, but it's not to the stage where there's anybody actively looking at moving in on one of these wells.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Interesting.

I'll just go back to electricity availability, and I'll be the first to say I understand some of the abandoned pits in Labrador West – don't know what we have throughout the rest of the province – but in other jurisdictions, they're utilizing abandoned pits to create hydroelectric facilities. They're reflooding it and recirculating the water in order to produce electricity. Has anyone looked at that as an option here?

**CHAIR:** The deputy minister.

**J. COWAN:** We haven't been approached on that, like pump storage.

Certainly, from a government perspective, we're open to any opportunity to support the grid, primarily, from a capacity perspective, but energy perspective as well.

Pump storage, pump water, pump air are all very interesting opportunities that the

department would be happy to explore. We're not on pump water.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Okay. I'll get back into the line items really quickly now in a second but just one other question.

There were some announcements made yesterday that the department had made multiple announcements with regard to investment in oil and gas, offshore and everything. Some of them look to me as if they would have parallel symmetry with the funding that could come from the PRNL; am I wrong in saying that? Like some of the exploration and technical stuff, there's always funding available. Is this in conjunction with money that they would put out? Is it the same money?

**CHAIR:** The hon. the minister.

**A. PARSONS:** I'll just say it's not hitting me that way. That's not where my mind is. It's not like the aha moment here. I'm looking at Craig and John, and I don't think it's –

**OFFICIAL:** What was the question?

**L. PARROTT:** The funding announcements yesterday for offshore, not just exploration, but there were some for technical upgrades and different stuff. A lot of that money is accessible through PRNL, so are we doubling up on something?

**OFFICIAL:** No.

**L. PARROTT:** The oil and gas companies pay a royalty to PRNL for every litre that comes out of the ground in order for us to do further exploration.

**CHAIR:** The minister.

**A. PARSONS:** Yeah. I don't think that's the case in this particular scenario.

**L. PARROTT:** I'm asking, you know, when we talk specifically about carbon capture. We know for certain – and PRNL may not agree with me – that money doesn't always get spent wisely or spent at all. There's always an abundance of money in there and the same players find a way to access the money all the time and I'm just wondering if there is duplication of funding.

**CHAIR:** The minister.

**A. PARSONS:** Yeah. In that CCUS, I think we had \$6 million. I think we've spent about \$3 million or are trying to spend it but is that the case of trying to get it out the door versus making sure, like you said, it's not just tossed out.

**L. PARROTT:** Same thing; you're pushing that, yeah. All right.

Under 3.1.04, Salaries was under spent last year and it's increased this year. Is there a reason?

**A. PARSONS:** Two reasons: One being we had some vacancies to try to fill, trying to get people in. This year, the variance would be there was nobody gone. We're making sure positions are filled; then, there were the routine salary adjustments and negotiated salary increases so I think the complement should be the same.

**OFFICIAL:** (Inaudible.)

**A. PARSONS:** Two new benefits positions for renewables.

**L. PARROTT:** Okay, yeah.

There was an announcement yesterday, \$90 million increase for exploration over three years, how much of that funding is available this year?

**CHAIR:** The hon. the minister.

**A. PARSONS:** That's from 2026 onward. There's none for this year, which was at the

request of Energy NL and other people we've talked to. We said we would get it out the door this year because we're already looking at '26, so it's '26, '27, '28.

**L. PARROTT:** So in year one, I guess? Sorry, I missed that.

**A. PARSONS:** Year one would be \$30 million, as it stands.

**L. PARROTT:** Okay. Yeah.

**A. PARSONS:** And I think I said this yesterday, we're looking at the current cost of a well. I mean, that could be 25 per cent, which my conversations with some of these companies that are exploring the possibility is that that would work well with them and their shareholders.

**L. PARROTT:** So first out the gate, I guess, we'll have that conversation. If there's an abundance of applications that exceed the 30 and go to 90, would we consider spending all that money in year one?

**CHAIR:** The hon. the minister.

**A. PARSONS:** I am absolutely not opposed to trying to figure out ways to take advantage of current opportunity rather than saying no and waiting for something that might not come along.

Obviously, I'd have to have a conversation with the Minister of Finance but, what I would suggest is, she was very, very supportive of this. I'm a believer in take what you can while you can if it makes sense, rather than wait and, who knows, nobody comes in the door and we let an opportunity go by.

**L. PARROTT:** I'm making an assumption here when I ask the next question and I would think the department had some dealings with the projection of crude oil forecast for this fiscal year to supply the Finance department. When was that

assumption made? What are those prices?  
What's the date they were based on?

**CHAIR:** Craig Martin.

**C. MARTIN:** So in terms of the actual production forecast, cost and things like that that are utilized for your budget, the department normally works with the C-NLOPB and we provide the Department of Finance with those types of numbers. The actual oil price assumptions are done by the Department of Finance.

**L. PARROTT:** Okay. I'll just go back to the \$90 million. It's in this year's budget, the funding for next year; is there Cabinet OC oversight to make sure that money is there for next year?

**CHAIR:** The hon. the minister.

**A. PARSONS:** There would be a budget appropriation. I don't know if there's an OC necessarily, but now that we have it out there, you can be guaranteed it's there to be used.

**L. PARROTT:** You're not going to lose it, okay.

3.1.05, Grants and Subsidies: There is an under spend of more than \$11 million last year in Grants and Subsidies, is there an explanation as to why?

**A. PARSONS:** What's the heading again?

**L. PARROTT:** 3.1.05.

**A. PARSONS:** Oh this is the one – you go ahead. Is that Julian or Heather? Heather?

**CHAIR:** Heather Tizzard.

**H. TIZZARD:** That's just some projects under our IBDF. Funding didn't proceed as quickly as we thought they would. Some took longer planning site development so we carried that funding over to the next year.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** So I guess that's the answer to – there are considerable savings and there isn't actually savings, that money will be spent this year. Is that fair to say?

**CHAIR:** Heather Tizzard.

**H. TIZZARD:** Yes. Any project funding that wasn't spent this year, is carried over to the next year.

**L. PARROTT:** 3.1.07, I guess this is a great place to ask whether or not there's any possibility of an update on the Bay du Nord project.

**CHAIR:** The hon. the minister.

**A. PARSONS:** This is probably one of the top questions I get and I don't have anything specific I can share here except to say that there's been fairly active conversations going on since Christmas to the point where both teams – I would say leadership in terms of myself, the deputy and team, and the country manager and their team – are all together in the same room forming a relationship. We have formed a relationship where we can be honest and frank and forthright with each other about expectations. Then it goes to, I wouldn't quite say weekly, but very regular communication between the two teams.

As it stands, it's that sort of balance between, Equinor will continue to tell you that they have to make it meet IRR expectations back in Norway. I would point out my opinion: there's a difference between the crowd operating in Norway and the crowd that's operating here. I have full faith that they want to get this done, but there are pressures.

We have made it quite clear that we want to see a project. We'd love to see a project. We'll do anything to have a project, but not

quite. We are not a project at all costs and there are expectation from different stakeholders, whether it be an opposition, labour, the province itself and we have to keep those in mind because once you get past the actual numbers, there are the numbers and then there's the perception of the numbers. We made really great progress the last time before the sort of rug was pulled out from under us – very, very good progress. There's still work to be done here because it went back to the drawing board. We all know that.

I still feel optimistic. I still feel that something can happen. We continue to work towards that. I would not put a timeline on that nor do I think it's fair. We're not in a rush. I know that they, internally, might have their decision gate timelines and things like that. That's on them. We could theoretically sign off on it tomorrow it's not anywhere near that, don't get me wrong, but we're also in no rush. We need to think long term and best value for the people.

**CHAIR:** Thank you.

The hon. the Member for Labrador West.

**J. BROWN:** Thank you.

Just one question there under 3.1.05: What projects was this money used to fund – out of this pot of money?

**A. PARSONS:** 3.1.05?

**J. BROWN:** Yes.

**A. PARSONS:** That's IBDF. Heather, did you have –

**CHAIR:** Heather Tizzard.

**H. TIZZARD:** Sorry, could you repeat the question? Were you asking about specific projects?

**J. BROWN:** Can you please provide a list of what projects this money was used for?

**H. TIZZARD:** Well, it's a number of projects for Innovation and Business Development. There are projects for C-CORE, the Argentia Port Authority is a big project, Holyrood Marine Base and R&D, as I mentioned, in C-CORE. So those types of projects.

**J. BROWN:** Right. Perfect.

That's my final question there.

**CHAIR:** Okay. Thank you.

The hon. the Member for Terra Nova.

**L. PARROTT:** 3.1.08, Oil and Gas Corporation: They have been reduced by \$2 million; I assume that's staffing or is there an explanation?

**CHAIR:** Craig Martin.

**C. MARTIN:** That's their annual capital budget there at that point. So what they had there for last year – they have money there specifically to do roof repairs out there at the site.

They're fiscally with us but they actually operate on a calendar year. So from the \$4-million perspective which was allocated there, that money was drawn by them last year in terms of our fiscal year but still their current calendar year. They're moving forward to get that work done at this point in time. Then, the \$2.1 million is their capital budget for this year which is to finalize seismic work that they've already had previously done.

**L. PARROTT:** Okay.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Just a question, and I know there was one asked earlier, but I think this is a little different. Obviously, there is a thought that OilCo may be sold, or the

assets sold, that type of thing. So I guess, in a broad scope, if OilCo gets sold, I would assume employees that are there may go with it, and that's fine, but the province has significant investment and ownership of all the seismic data.

That data is still very key going forward, would we retain that data or would we lose proprietorship over that?

**CHAIR:** The hon. the Minister.

**A. PARSONS:** That would be a part of the negotiation. The value belongs to the province so, if that were to go, there would be a price tag to go along with that. It's something that we've retained, like you said, proprietary ownership, but that's not a conversation we've had recently.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Okay.

3.1.09: What's the purpose of the \$300 million loan for Hydro that is included in this year's budget?

**A. PARSONS:** 3.1.09, Energy Initiatives?

**L. PARROTT:** Yes.

**A. PARSONS:** The question is not related here; the question is for the money for Hydro, right?

**L. PARROTT:** Yeah, \$300 million for Hydro.

**A. PARSONS:** So when Craig Martin looks at me like that, then I start to wonder. So \$300 million for – where is this to again?

**L. PARROTT:** Yeah, Capital for Hydro.

**A. PARSONS:** Just so we know, the 3.1.09 was the placeholder for OGIRA when we had that federal funding, that \$320 million, but that's just more of a placeholder. Is that the Budget highlights?

**L. PARROTT:** The question is in the wrong spot. Most of them are coming from here, but some of them are down here.

**A. PARSONS:** You're doing good, man, you're doing good.

**L. PARROTT:** I'll stick to the head.

**OFFICIAL:** We just grouped them all.

**L. PARROTT:** Yeah, they're all grouped under that heading.

It's not part of that heading so we'll just say the \$300 million loan to Hydro is for capital investment, I guess, or?

**A. PARSONS:** We're not following – Estimates page 7?

**L. PARROTT:** We can move on and someone else can look for it just for the sake of time?

**A. PARSONS:** I tell you what, somebody will figure that out; you keep at it.

**L. PARROTT:** Yeah, because we want to get through.

**A. PARSONS:** Yeah.

**L. PARROTT:** Just a general question, I guess, because – and I know the money is coming from lots of different pots, I would assume – there's been a lot of work put into the Churchill Falls MOU, has there been any indication as to how much money has been spent to date on that process?

**A. PARSONS:** I would assume there is. I don't necessarily know if it is with us or if it is with the Premier's office or Finance. Do we –

**OFFICIAL:** Hydro and JPS.

**A. PARSONS:** Or with Hydro and JPS.

So I agree that there's definitely a figure; just because of the expertise that's been hired alone, there would be a big figure. I just don't know who would hold it and I don't think it falls within any of our budget lines.

Am I wrong?

**OFFICIAL:** No, it does not.

**CHAIR:** The deputy minister.

**J. COWAN:** On your question on the \$300 million, we're still not sure. So we think –

**L. PARROTT:** So *Smarter. Stronger. Better.*

**J. COWAN:** Right.

My understanding is it's a question for Finance.

**L. PARROTT:** But under *Smarter. Stronger. Better.* page 25, Statement C, On-lending Program, Newfoundland and Labrador Hydro, \$300 million.

**J. COWAN:** We'll have to look into it.

**A. PARSONS:** We'll look into it, but you might want to bring it up when you do the Finance Estimates, too.

**L. PARROTT:** Okay.

To stay with funding, funding for the Upper Churchill Oversight Committee, is that coming from your department?

**A. PARSONS:** No.

**L. PARROTT:** Okay.

What is the intention of the Corner Brook Pulp and Paper power purchase agreement once it reaches its expiry?

**CHAIR:** The minister.

**A. PARSONS:** The perpetual question. It'll have to be a decision when it comes to –

which if it's not already here, it's coming soon. It will have to be a decision of government of whether to continue on. So do you continue on, do you not continue on, and if you do continue on, is there some kind of alteration?

So not a thing I can discuss here today, because that decision has not been made. But it's one of those ones where it's always an interesting conversation.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Is there a timeline for the Buchans generation station assessment divestment?

**CHAIR:** The minister.

**A. PARSONS:** So that's more of a Growler question. I think now that we have this part done, they can continue on with the feasibility study. So I don't know if the timeline is there. They would make that decision. We've just signalled our willingness to go along and we're fine with that.

**L. PARROTT:** I know I asked the question earlier, but obviously throughout any negotiation or any business government does there are timelines set. With regard to Bull Arm, is there some kind of a broad timeline where we hope to resolve this, or is it just day to day?

**A. PARSONS:** So what I would say is, technically, no. But, at some point, there will be a decision by government, do you continue on here. I can't tell you what that is.

It's one of those things you can come down on either side. There's a part of me says you can set an artificial deadline and does that really get you to where you need to get? Because sometimes these deadlines don't have the effect that you want them to have. But, at the same time, you could say,

well, if you don't put in a deadline, people will just fool around and are you continuing to waste value?

I don't feel we're at that point yet, because we're just getting to the point where the companies have gotten us their proposals. We have to work through them, and we need to extract more value. Plus, the fact that there are other things that have come along where new ideas have come along, do they fit into current proponent's ideas and they're big enough that, like you say, I think we mentioned this earlier, are they real? Hopefully, if not, move along. But they're worthy of conversation.

**L. PARROTT:** Yeah.

I don't know if this is the right place to ask the question or not, but with regard to the refinery, and I know there's a misconception out there about the 5 cents and what that does, and I get it. So I'll go back to what I said earlier about us importing fuels from Quebec to power thermal generation throughout the province. We're losing out on that five cents there, while the general public is paying it.

I know right now there's a thought that we're going to switch to hard aviation fuel versus renewable diesel based on the whole thought of shipping it around the globe and all the stuff they should've thought of before they started it. But anyhow, I'm happy to see people working out there.

Has there been any discussion with the current proponent about bringing the platformer back up online so we can produce some of our own fuels here in the province again? I'll add most people in the province don't understand the shortages that we may or may not face on a daily basis and the potential for catastrophic shortage at some point, which would affect us in a dire way. Listen, I'm not suggesting that we invest a pile of money into something, but we need to look for a way to

–

**A. PARSONS:** What I would suggest – and I hope I'm not speaking out of turn. I can speak on behalf of what the province knows. We haven't had that conversation. If it were to come to us, of course I would consider anything. That's not a problem. Then it comes down to, obviously, it's a money question.

I can't tell you whether that's been a conversation between the proponent and their lenders, especially in light of the significant investment that they have already made and then sort of had the tax credits change and everything else. My understanding is that they're concentrating on going down the road of where they already are, plus acting on the SAF route.

So it's not like we would sit there and say no, but is that somewhere where they want to go and what would that result in, I can't tell you whether they've done the internal work on that.

**L. PARROTT:** Okay.

I'm good with section 3.

**CHAIR:** Okay.

Seeing no further questions, I'll ask the Clerk to recall the subhead.

**CLERK:** 3.1.01 to 3.1.09 inclusive.

**CHAIR:** Shall 3.1.01 to 3.1.09 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Against?

Carried.

On motion, subheads 3.1.01 through 3.1.09 carried.

**CHAIR:** I'll now call the next subhead.

**CLERK:** 4.1.01 to 4.3.01 inclusive, Business and Innovation.

**CHAIR:** Shall 4.1.01 through 4.3.01 carry?

The hon. the Member for Terra Nova.

**L. PARROTT:** 4.1.02, Loans and Investments: There's an increase of \$34 million. Can you explain what the funding is for and why the increase?

**A. PARSONS:** I can try to explain it. So, as you can see there, we've always had an Investment Attraction Fund on an annual basis. Right now, there are conversations ongoing that I cannot discuss yet. There has been nothing signed nowhere, but they're to the point where we were able to inform Finance so they could fit it in now rather than the alternative, where sometimes a conversation comes along after the budget is baked and you've got to go out and figure out where it is now.

So I can't say that the usage of this amount will come to fruition, but it's there in case we need it and it's for multiple things. I can't discuss it now because it's still at negotiation and I don't want to put us in a bad spot. It would also, though, include round 3 of VNL, Venture Newfoundland and Labrador. So it's the continuation of that project which, from all accounts, since its inception in 2014, early '15, has worked out quite well with having a private crowd intermingle of the funds, take ours and we're getting great return since that time.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you.

Perfect. Under that, part of the question there for under 4.1.02 – what projects were funded in the past year under that program? Can we get a list of those?

**CHAIR:** Mr. Ludmer.

**J. LUDMER:** Thank you.

So primarily, our support for the various venture capital funds that we support comes out of this funding. They'd make capital calls throughout the year to make investments in new companies or follow on investments. In the past year, there were 10 investments made with new or existing companies by the VCs that we're contributing to.

There were additional contributions that came out of this pot, also, to make repairs to the Atlantic Cable facility. There were a couple of expensive repairs had to be made in the past year. So those were the main portions of that funding.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you.

For this coming year, usually there are sometimes things, in particular, government wants to invest in but this year, could the minister elaborate on what kind of things that this government plans on – like projects and stuff that they're looking at that are in the realm of what the budget is trying to bring – I know sometimes there are different things. What is the government looking at or are you guys looking at investing in this year?

**CHAIR:** The hon. the Minister of Industry, Energy and Technology.

**A. PARSONS:** I was just making sure there's nothing specific I could put out there. We're open to anything across the gamut in terms of investing that attraction. That's why we can come up with different programs because there is an Atlantic competition and then there's a Canadian competition and then there's the competition outside of that.

We like where we have the fund. The problem is – I mean, I know it's not a good answer. I just can't get into it because you

either threaten the negotiation, put yourself in a bad spot and just, generally, doesn't look good. It's one of those things where there's nothing we won't consider but we also do the due diligence. Some jurisdictions, I'm sure, have maybe parameters around, well, we will consider this and we won't consider that. We're pretty flexible, and we'll try to work with anybody.

We will absolutely do the due diligence so when the next year comes and you guys are in here questioning, we have to be able to answer on what we did and why did we do that, what was the rationale.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Are there any plans to use more of the IBIC funds to continue with new rounds with the rental housing development loan program? Is any more work going to be done there?

**CHAIR:** Mr. Ludmer.

**J. LUDMER:** Yes, thanks for the question.

So that funding was provided to IBIC corporation by the Department of Finance. They have indicated that they are not planning to recapitalize that program at this time.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** When this loan was being designed, why didn't it include the requirements that a certain number of units be built on each project to be affordable units? I guess there was some ambiguity with the requirements there. Was there any rationale on why that was designed the way it was designed?

**CHAIR:** Mr. Ludmer.

**J. LUDMER:** As the minister said previously, there are some programs that

this department is administering as opposed to designing and operating. The housing program was one that was given to us to administer. We were not involved in the design of the program itself.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** All right, thank you.

That was my final question for this section.

**CHAIR:** Okay, thank you.

Back to the hon. the Member for Terra Nova.

**L. PARROTT:** Thank you, Chair.

Purchased Services are significantly over budget. Is there a reason why?

**CHAIR:** The minister.

**A. PARSONS:** Sorry, say that one again.

**L. PARROTT:** Under Purchased Services, 4.2.01.

**A. PARSONS:** There was extra money spent on investment attractiveness programming, but Julian can give a better –

**CHAIR:** Mr. Ludmer.

**J. LUDMER:** Just to be sure, this is 4.1.01, is that correct?

**L. PARROTT:** 4.2.01.

**J. LUDMER:** My apologies.

Yes, as the minister said, we have a new investment attraction team that was recently created, and the operational funding for that team was placed in this division in the previous fiscal year. So what you see there in Purchased Services is money that was spent by the investment attraction team that was largely spent to design a new suite of

investment attraction materials for the department.

That covers videos, web pages, print, pitch decks and all manner of marketing-related expenditures. We've created a new suite of general, overarching materials to cover investment attraction opportunities and additional sector-specific materials which are currently being completed.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Would any of the commercials and public information that's out there for the MOU be a part of that spending? No? Okay.

Grants and Subsidies are over budget by \$500,000. Is there a reason why?

**CHAIR:** Mr. Ludmer.

**J. LUDMER:** Yes, that \$500,000 is the funding that was provided for the Lab West assistance, the emergency assistance for businesses affected by the wildfires.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** How many business navigators are currently employed in the department, and what are the hours that they are operating? Is there ...?

**A. PARSONS:** I'll lead off, and I'll turn to Heather for more detail.

So there's currently three in the province: one in St. John's, one in Clarendville and one in Corner Brook. I think their hours are fairly regular hours, so no different than an EDO anywhere else. It's not like they're working in a shortened time basis or anything like this. So fairly normal access hours, I think.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** Okay.

Any idea of what the volume of inquiries that you're getting is?

**A. PARSONS:** I think we have an update. I just don't know how recent it is.

**CHAIR:** Heather Tizzard.

**H. TIZZARD:** Since we launched on January 14, we've had 135 inquiries.

**L. PARROTT:** Okay.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** The new restaurant loan program, is that going to be administered by you guys as well?

**CHAIR:** The hon. the minister.

**A. PARSONS:** Yes, it's also administered by us. It's more like, it's a combination. I mean, when you look at the initial requests – and don't let my facetiousness here take away from the fact that it's an industry that is going through a tough time. The initial request came to the Premier's office and to the Minister of Finance, and it's also something that the Minister of Tourism deals with.

We would play a role there because we're Industry, and we'll administer it, but it's not like I've had these conversations myself with the head of Restaurants Canada or the local representative.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** I guess I'll just make a statement. Any dates, details or any of that stuff won't be you guys. You guys will administer and those details are coming from the other departments. Fair to say?

**CHAIR:** The hon. the minister.

**A. PARSONS:** That is absolutely my hope. Similar to the help program with the fish harvesters, I feel the departments themselves should put that out and we'll help you get to that point we can administer, but that should be on them.

**L. PARROTT:** Okay.

4.3.01, Grants and Subsidies: What's the reasoning behind the \$50 million reduction in Grants and Subsidies?

**A. PARSONS:** So that was the \$50 million for that residential housing program. It was put in our spot, we administered and that program is over. That would account for, basically, the \$50 million reduction in there. So we're at, right now, our normal or regular base budget.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** I mean, you guys are obviously responsible for a number of funding support and administrating of different programs throughout the province. When we talk about economic diversification, we often refer to rural Newfoundland and Labrador, and I'm just wondering, does the whole scope of that come under you guys? Are those decisions made by you guys, or is input coming from other departments? How does that work?

**CHAIR:** The minister.

**A. PARSONS:** I mean, the reality to me is that, yes, it falls under us in some ways, although the Premier has created the Ministry of Rural Economic Development that's administered by the Minister for Transportation and Infrastructure. I think they have a deputy minister. There is some interaction there obviously, especially between the deputies have their conversations. We get a lot of input from the Premier's office. We get a lot of input from

MHAs. So there's nothing that we won't consider or have that conversation on.

Sometimes there's a difference, too, between the philosophical and the actual. So we're open to philosophical ideas, but when it comes to economic development officers all over this province, they fall under us. You know in Plum Point or Port aux Basques or Clarendville, they all fall under us, so that's where our focus has been.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** And a good group of people, I will add. Absolutely.

**A. PARSONS:** They're a good bunch, and, if anything, we'd like to continue to spread the word. My only thing I would suggest is that – the only advice or direction I've given is to empower them to find ways to say yes as opposed to find ways to say no.

**CHAIR:** The hon. the Member for Terra Nova.

**L. PARROTT:** No further questions for section 4.

**CHAIR:** Good.

I'll ask the Clerk to recall this section.

**CLERK:** 4.1.01 to 4.3.01 inclusive.

**CHAIR:** Shall 4.1.01 through to 4.3.01 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** All those against, 'nay.'

Carried.

On motion, subheads 4.1.01 through 4.3.01 carried.

**CHAIR:** The final section, I ask the Clerk to call.

**CLERK:** 5.1.01 to 5.4.01 inclusive, Industry and Economic Development.

**CHAIR:** Shall 5.1.01 through to 5.4.01 carry?

The hon. the Member for Terra Nova.

**L. PARROTT:** Thank you, Chair.

5.1.01, Purchased Services: Can the minister explain the more than \$1.5 million overspend in that department?

**CHAIR:** The hon. the minister.

**A. PARSONS:** That's the good old Atlantic Cable Facility, our payment that was due last year. Part of the original agreement, we had to take over \$1.5 million in annual maintenance and repair costs. So it came due.

**L. PARROTT:** I guess just a question for my own lack of knowledge or stupidity or whatever it is, if we knew it was coming due, why is there an overspend and how come it wasn't budgeted last year for this year?

**CHAIR:** The minister.

**A. PARSONS:** Can I say ask Finance? Am I allowed to say that?

**L. PARROTT:** Sure, you can say whatever you want.

**A. PARSONS:** I've said it before, maybe in one of our first Estimates. I said ask Finance.

I don't know. I mean, yes, it was known that it was coming. I don't know if it's a case of a budget ask. I can't explain the why sometimes; I can explain what it was.

**CHAIR:** The Member for Terra Nova.

**L. PARROTT:** Okay.

I used to have a saying when I was in the military: Ours is not to question why, ours is but to do or die. So I guess that's the same thing for you guys, hey?

5.2.01, Regional Economic and Business Development: What is the plan for economic diversification in the upcoming fiscal year? These are general questions that will come under that subsection.

**A. PARSONS:** I mean, I could turn to the ADM because – I'll tell you what we'll do – my thought process is this.

Since I've been in there, we sort of operated from this what we would call road map. It's things that we've put together that are part of mandate items, things you would read about in the media, things that came to us from people within the department and things that come from MHAs and everything goes into one and what do we think about it all. It's not just all economic development in the sense of providing money to a business to start up. There are other bigger picture items, like cell service and all these other things that combine to it. Really, it's a conduit too.

Where I would turn is to the department responsible for rural economic development because a lot of what they're doing is more of the macro instead of the micro. They're talking about, you know, what is the connective tissue between it all.

For me the big challenge has been, it's very hard sometimes to keep positions filled of the actual people on the ground. We want to make sure that we have a person there. We want to make sure that they have the resources and support that they need, especially now. It's five years out, but we went through a period of COVID there where people weren't in the office, people sort of drifted and then were trying to get them back and give them that empowerment. I mean, to me there is a

rural nature to all of this and I don't think one will go at the expense of the other. I do think that a rural strengthening supports urban and vice versa and, again, I come at it from a bias of being a rural person.

Specific items, I mean, there's none on the top of my head at the moment but some days you come in and something presents itself. There are some things we're also working on and, I'll tell you, cell coverage is one. That's definitely one that might not apply right here in this heading but that's a big one that people want. Sector support, in terms of whether it's outfitters, whether it's accommodations, whether it's the food industry, all of these play a role.

Another thing too, though, I'll toss in, there's a group called CCI, Council of Canadian Innovators. I just had a conversation on the way in this morning with one of these people. It's led by Jim Balsillie – you know, Blackberry Jim – and they got a big presence here. Sometimes we just need to look at economic development differently and innovation differently than just, what is the number of jobs created? So I'm hoping this year to have that chat. The guy this morning said, do you know what? We need to have that chat about what does prosperity and economic development look like, as opposed to maybe the same sort of measurables we've had.

It's harder to provide that sort of rock-solid answer that people want, but I think it could have a better output in the end.

**CHAIR:** The Member for Labrador West.

**J. BROWN:** Thank you, Chair.

Under 5.3.01, the funding is gone up nearly \$10 million now. What's the plan for the use of this funding and how will it be distributed through the Grants program?

**CHAIR:** The hon. the Minister of Industry, Energy and Technology.

**A. PARSONS:** This is 5.3.01?

**J. BROWN:** Yes.

**A. PARSONS:** Okay.

There are two parts to this: \$16.5 million of this is cell and broadband service, so it's a carry-over; and just a little bit less than \$10 million is the comprehensive economic development base, that's your regional stuff that comes in and your sector stuff that comes in. That's the standard funding that we have.

I mean, some of it is projects that are in the tube, right now, working through. Some will be new ones that come along. The cell service, I'd love to toss all that money out myself, but in order to get full value, it has to be leveraged with ACOA, the provider and, in some cases, the communities, which is why it's even more difficult and frustrating.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you. Yes

For 5.4.01, Green Transition Fund, has there not been much uptake in a lot of this funding; because, under Grants and Subsidies there, we can see only \$2 million out of \$11 million, and we're going to put \$14 million in there? Is the uptake not as much as was expected?

**A. PARSONS:** What I would say – I'm going to take a stab at this and then, of course, we'll see if there's an actual better answer – there's been a tremendous amount of uptake. I've got a list here of all the approved projects but, initially, it was being done by calls.

We put out a call, everybody comes in and the problem is, there are probably some worthy projects that just didn't make the cut that time. Then we did a second call, same thing. We're now moving to a continuous intake process. The good news is that the

money is still there, and starting off, I mean, we had to hire new people, bring in new people to go through this screening process. I think what you'll see is a more seamless transition here now where it is not just a call where – I've got to tell you, I've talked to the people doing the work and they got, like, 100 projects there that they're grading to figure out how many they can get.

Now, if we can get more of a stream coming, we can do a better job of hopefully grading, getting more done and getting more money out.

**CHAIR:** Heather Tizzard.

**H. TIZZARD:** That's exactly right, and I just want to mention, too, that there was a lot of interest.

In the two calls that we did, there were 171 submissions in that fund. Again, as the minister said, it just took a while to get through all of those. A lot of those are still being assessed so as we go into continuous intake, hopefully we won't see so much dropped funding in a given year. But, as the minister said too, it's not gone, it's just carried forward.

**A. PARSONS:** Shout-out to Bruce Billard and Bradley Thorne for doing good work.

**H. TIZZARD:** Absolutely.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Perfect. Thank you.

The \$6 million, I guess, each year, that's through the benefits agreement that funds the program itself? It's self-funding, correct?

**A. PARSONS:** Yeah, and that's actually going to rise up. I think, actually next year, it goes to \$8 million for a couple of years and then it goes to \$10 million and \$12 million. So we still have a nice bit of runway left yet

and a lot of money to look forward to getting stuff done.

**J. BROWN:** Perfect.

One last question there: With the Food Producers Forum, progress in creating a Provincial Food Network, what work is being done or has been done in that so far this year?

**A. PARSONS:** Say that again, Jordan?

**J. BROWN:** The Food Producers Forum progressing in creating a Provincial Food Network, how is the work for that progressing or was that just that you guys –

**A. PARSONS:** That might be led by FFA. We might play a role in that, so I'm happy to get you something to report back. I don't think we're the lead on it.

A lot of stuff, too – I always joke with Steve Crocker that he comes up with the idea and we pay for it. That's what happens. We are the funding body a lot of times for the different things. I think that might be the case here.

**J. BROWN:** All right, perfect. That was my final question.

Thank you, Minister.

**CHAIR:** Thank you.

The hon. the Member for Terra Nova.

**L. PARROTT:** I don't have a lot of questions for 5. I have a couple of general questions if that's okay with you?

**A. PARSONS:** Yeah, give 'er.

**L. PARROTT:** I guess the first question is, and I didn't ask it when we started but I assumed, because you've always had a little bit to say before we started, which you didn't this year – which surprised me, you not having something to say.

**A. PARSONS:** Oh, I'm ending off on a high note, though.

**L. PARROTT:** Had to get that in there.

Your binder, will we get a copy of the notes that were provided for you here today and – yeah, I know.

**A. PARSONS:** It's the man with the data sticks.

**L. PARROTT:** That's why I said it; you normally pass the jump drive over at the end of it all, so all good.

**A. PARSONS:** That's my fault. He has them. There we are.

**L. PARROTT:** Thank you. I knew you would.

We talk about cell service, and it's a huge deal everywhere, and not just cell service but an issue now with the ambulances and everything is we don't have numbers on houses. In my district, as an example, I've had ambulances called that have shown up in other parts of the province. Cellphones could certainly solve a part of that through technology. They could ping and they could get a location from the phone if someone were to call 911. There are different things that could happen.

In other jurisdictions, certainly jurisdictions that rely heavily on wind, there has been a utilization of wind towers if they meet a certain height, which all of the proposed wind towers here would for certain – they're some of the largest in the world – to have cellular technology on the wind towers. If it's not something that you have discussed, I would strongly recommend that it's something that we push for. It's a cheap alternative, because there's also some conversation out there that wind towers impede cell service, and that's why they've put in these repeating stations and different things that help with cellular service.

So it's something you should keep in mind. I don't know if the department has had that discussion, but –

**A. PARSONS:** It's not a discussion I've had. I'm open to it. The biggest discussion on wind towers I've had is either get them up now or get them away from me. So we'll make that note now and I'm happy to have that conversation. It might change some people's opinions if they're like, well, I'll deal with the tower now if I can actually get cell service.

Why wouldn't you explore it? That's the whole point of this is that there's a ton of good ideas out there and I don't care about ownership of the idea; I care about if it makes sense, can we get it done? I will honestly say a lot of what we have done in my time here was somebody else coming and bringing it forward. Whether it's in this House, media story I read that I thought was cool, advocacy groups like Energy NL, they've been great. People like that. Get 'er done.

So same thing for this one. Again, the one challenge I will present though is dealing with the proponents and figuring that out. I mean that's a whole – but it doesn't mean it's not worth exploring.

**L. PARROTT:** Absolutely. Community benefits.

**A. PARSONS:** There you go.

**L. PARROTT:** There's more than one way to skin a cat.

**A. PARSONS:** I like it.

**L. PARROTT:** Right now, the refinery has probably one of the largest, most accessible VLCCs in the province. We know that getting things to and from the Island, certainly when it comes to oil and gas, wind turbines, other things – and I know it's not government's responsibility to meddle in

private business and industry, but has there been discussion – certainly with when we look at the idea of Grassy Point with LNG and we look at hydrogen and getting it out of here and which proponents are already situated to do those things, has there been any discussion with I guess double utilization or utilizing that facility to accommodate other proponents?

I know, again, it's not government's responsibility. But sometimes it's okay for us to make recommendations or get involved with it.

**A. PARSONS:** Best thing I can say to that is that it's absolutely been a conversation.

**L. PARROTT:** Okay.

**A. PARSONS:** But that's probably all I can say to it.

**L. PARROTT:** Yeah.

And from an oil and gas standpoint, the other thing, we know the situation with Bay du Nord from how far offshore it is and what it's going to take in order to get the women and men that are going to work on that vessel if it were to go ahead out there. It's a big part of concerns for everyone.

Have those conversations been had with the C-NLOPB or any others involved?

**A. PARSONS:** I haven't had that conversation myself with the regulator; I don't know if Craig or somebody else in the department has and I don't know if technically it would fall under OHS. I mean, it's absolutely a conversation; it's just not one that I've been seized of at the moment, or had brought to me.

Having done the trip to Hibernia once and then knowing that this is farther, like, it's just – and actually I spoke at a Unifor conference yesterday, and I said to these folks, my hat's off to people that make a living doing this work, because it's hard

enough on any kind of industrial site, but one that you've got to get in the chopper and put the suit on and go out to is tough.

So yeah, there will be a conversation; it's just one that hasn't been brought to me at this juncture.

**L. PARROTT:** Okay.

West White Rose: When the topside module comes from Corpus Christi, it will be mated offshore – and Minister, you know some of the questions that I've had with regard to the DSS and other things – my question is, does commissioning an offshore hookup in any way circumvent the Atlantic Accord and allow the proponents to do things in a different manner?

I guess back channels, and we've had a couple of conversations, some of the things that I hear are worrisome, because the industry has been built based on a tragedy. When we look back to the Ocean Ranger and we know what happened in 1985 and how we got where we are, and then we go to the Cougar crash and we understand again, and we know the significance of the Atlantic Accord and how we got to where we are and what the responsibilities are.

Certain players – and I won't get into any of that – are in a position now where they have never operated in an offshore environment before, have never operated under our Atlantic Accord agreement. Whether it's intentional or not, there have been warnings given by the C-NLOPB and – again, whether it is intentional or not – efforts to circumvent some components of regulatory and safety issues.

Do you know if the mating offshore changes the water on the beans? Because I can't wrap my head around it.

**A. PARSONS:** So my take is that no, it would not circumvent or change anything. Speaking as to the situation you mention, or any situation, the first thing we do is activate

it and go directly to the source, in this case C-NLOPB.

When I get an email on a certain situation, I forward that along to the right people right away, have a conversation, that's forwarded on to the right people right away – because that's just how it has to go, and we want to make sure there's nothing untoward happening.

That's why I think it's important to have communication. I might not hear about this or nobody ever came to me, but that's why people who have a connection to this industry, or mining or whatever, you name it, listen and bring those forward. If it's a House issue, we'll do it, too.

So I don't think I missed anything in there, Craig, did I?

**L. PARROTT:** Okay.

I'll just got back to the Churchill Falls MOU. Obviously, we know what's going on down in the States, which we're going to enter into a time where we're going to negotiate an MOU with an entity that hasn't been our greatest friends in the past, that is going to operate mostly with an entity that is certainly not our greatest friend right now.

**A. PARSONS:** Yes.

**L. PARROTT:** Historically, it's been different. I would argue that it changes the water on the beans with regard to the costing process and everything. I understand the escalating clause that happens going forward but the initial portion of that is based on current value for Churchill Falls expansion CF1, CF2. Has that been factored into the negotiation process?

**CHAIR:** The hon. the Minister of Industry, Energy and Technology.

**A. PARSONS:** So not to my knowledge but, again, I'm not the lead on that, so I don't

want to speak for Jennifer, Carl, Dennis, whoever is doing that work. The good news is I think from all along Quebec's sting was never long term about going – Quebec's objective for power here has always been internal anyway. I don't think this was meant to be long-term power to the States, nor do you want to make a long-term decision on a current geopolitical situation.

The best thing I can say to you is that I've had faith in the committee and the people doing the work, plus all the different advisors to come in, knowing that there's scrutiny now and we've got oversight, we've got this, we've got the House of Assembly to do all that.

So I can't tell you specifically if that's been factored in, but I've had faith in them to keep in mind things that come up along the way. Anything that we do has to be looked at with a 50-year vision as opposed to a today vision.

**L. PARROTT:** During the negotiation there was an agreement that there would be a committee oversight that would dissect anything that was going on and the thought was that those reports would come back quarterly. Quickly enough, quarterly is here. When can we expect to get our first –?

**A. PARSONS:** I think the committee just put out their first one or they just brought in some people. This is early April, the committee was struck, I think, in February. I don't think it was meant for the first quarter. I think, probably, you'll see it in the second quarter because by the time the committee was struck, to retain the expertise, I know they've met and started up things that are of concern to them – and in fact all Newfoundland did a great job of summarizing Dennis Brown and all their report by saying, here's the different things we'll keep in mind, especially project management and all these concerns.

They've got a website up and running now; they've got all that. I think you'll see a report

some time while this House is sitting – I think.

**CHAIR:** The Member's time has expired.

Do you want to continue some questions?

**L. PARROTT:** Yeah, I just need a moment.

**CHAIR:** Go ahead.

The Member for Terra Nova.

**L. PARROTT:** Question to the Chair: We're good until 12:03 and that's the three-hour mark, is that right – 12:04?

**A. PARSONS:** 12:02:30.

**L. PARROTT:** Okay, perfect.

**CHAIR:** 12:01 I'm hearing here.

We can go beyond, with the –

**L. PARROTT:** No, we don't want to go beyond the time frame, that's why I'm asking.

Churchill Falls MOU again – when we talk about the Northern Passage, Arctic sovereignty, Labrador West – I'm going to bundle all of this up together – when it comes to electricity, we know that the MOU presents power to those places between 2031 and '35 is the ramp up, and we can say that they don't need the power, but I can also tell you that the Department of National Defence knows that the power isn't there. So they're not going to say that we need X amount of power for generation in order to start an F-18 and the things that they have.

If the power was there, I think it changes everything. It really do. Has there been thoughts of, I guess through negotiation or any other way, trying to take back some of the power that's currently going through – I mean, I know IOC could use it, I know for housing expansion, I know for housing in

Goose Bay and other things, margins are that slim right now. Have we looked at trying to access additional power prior to 2031? Because if you build it, they will come, I guess. I mean that's the –

**A. PARSONS:** Yeah.

I was just going to say I'm not aware that there's been any change to what's been presented out there; we are sort of where we are at this stage. I don't know if John knows anything that I don't know.

**CHAIR:** The deputy minister.

**J. COWAN:** I mean, obviously Hydro has a duty to serve. I know under the MOU there's an additional 1,500 megawatts going to come back so that'll bring the power in Labrador to 2,000 megawatts.

I agree there are enormous opportunities; you made a point earlier on about mines. Roughly, 100 megawatts generates 400 or 500 jobs besides construction, so there are significant opportunities; Hydro does have a duty to provide power.

**CHAIR:** Just to advise the Member, you have until 12:11, because we had the 10-minute recess.

**L. PARROTT:** Okay, all right. But we don't need all that time.

I tell you, I'll end it here, and I will say thank you to everyone involved here this morning. The minister is obviously surrounded by a very great group of people. I thank you for all the work you do. The answers have been very clear and very forthright. The minister has been open and transparent, as he always has been through my experience, and it's a good process.

Not all the ministers come in here and answer questions that aren't specifically shaped to the line items. So it's a great opportunity to ask questions that need to be asked and share ideas in some instances, I

think. It's a great opportunity. I thank the minister, and I thank everyone here this morning. It was time well spent in my opinion.

Thank you very much.

**CHAIR:** The hon. the Member for Labrador West.

**J. BROWN:** Thank you.

I just want to thank the minister and his team for being here, once again, answering our questions and having a great discussion on what's pertinent to us. So I just want to once again thank him.

And it's always been great – and I just looked at the notes there. You were the last one I did, last Estimates I did last year, and you're the first one I did this year. So I ended on a good note, I guess I'll start on a good note this time around.

**CHAIR:** Would the minister like to make a few comments?

**A. PARSONS:** Yes, just a few points, and so everybody's not worried, I won't take very, very long, but I feel I have to say a few things.

Number one, just thank not only the MHAs, my colleagues, but their teams for the work they do and any researcher that comes in here. There's a lot of work getting this – and you've got multiple of these along the way.

Jordan was right, and I think Lloyd was right. I've had these where it was very much line by line and very sort of adversarial, and I've never thought that was the way it should go. I think we've been very wide open. You have a better conversation, and I stick to the fact that this is the best part of the budget process, not the speeches in the House, always. So I thank the folks on the other side, and thank you for your teams.

Again, the next thing I would say is thank you to the Table staff for running this. This is a long, onerous process for them as well.

I have a department here and you'll notice a lot of times I defer to everybody around me. That's because I've never pretended, from day one, to know everything. It's closer to the opposite, but I'm surrounded by awesome people who do amazing work. I'd point out that I wish people could see the public service more and the dedication – look, these are people that have deferred vacations and put it off to get stuff out.

Megan is actually on vacation right now. She started today; she's here. Because this got scheduled this morning, she's here today. So that speaks to the dedication of the people I'm surrounded by, and why I think people should have faith is that when it comes out of one of our mouths as a politician, there's already a natural inclination maybe not to trust us for political reasons, but they should have faith that we have a pretty good public service here that do amazing work and have skill sets and knowledge. So I've been lucky to be surrounded by them.

This will be my 15th set of Estimates, and this is the last one, and it was a hell of a one to go out on, and I appreciate you guys for a good conversation here today.

**SOME HON. MEMBERS:** Hear, hear!

**CHAIR:** I'll ask the Clerk to recall this subheading.

**CLERK:** 5.1.01 to 5.4.01 inclusive.

**CHAIR:** Shall 5.1.01 through to 5.4.01 carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Against?

Carried.

On motion, subheads 5.1.01 through 5.4.01 carried.

**CLERK:** Total.

**CHAIR:** Shall the total carry?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Against?

The total is carried.

On motion, Estimates of the Department of Industry, Energy and Technology, total heads, carried.

**CHAIR:** Shall I report the Estimates of Industry, Energy and Technology?

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Against?

Carried.

On motion, Estimates of Department of Industry, Energy and Technology carried without amendment.

**CHAIR:** I'd like to thank everyone for your attention. I thank the minister, department officials, the Committee.

Our next meeting of the Resource Committee is going to be tomorrow, Friday, 11th of April at 0900, and that's Tourism, Culture, Arts and Recreation.

I now ask for a mover of the Committee that we adjourn.

**C. PARDY:** So moved.

**CHAIR:** The hon. the Member for Bonavista.

All those in favour, 'aye.'

**SOME HON. MEMBERS:** Aye.

**CHAIR:** Against?

The motion is carried.

Thank you very much.

On motion, the Committee adjourned.