

2020-2021 ANNUAL REPORT



Industry, Energy and Technology

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MESSAGE FROM THE MINISTER

As Minister of Industry, Energy, and Technology, I am pleased to submit the department's Annual Report for the 2020-21 fiscal year. In accordance with the department's obligation as a Category 1 entity under the **Transparency and Accountability Act**, this report was prepared under my direction and I am accountable for the reported results.

As the lead department for accelerating growth, innovation, entrepreneurship and regional development in Newfoundland and Labrador, we are committed to creating a competitive environment that fosters private sector investment and business growth; while supporting key industries such as mining, energy and technology.

I embrace the opportunities outlined in my mandate letter and the department's 2020-23 Strategic Plan, and I look forward to working with industry and other partners to develop a robust and diversified economy that embraces renewable energy, while maximizing our oil and gas advantage and ensuring a sustainable mineral sector. I will work to foster a business environment that supports new and growing technology, as we reinvigorate our energy and mining sectors to meet global demand for the province's abundant resources.

I thank staff for their enthusiasm, hard work, and dedication. The department's approach to economic and business development demonstrates our commitment to the residents of Newfoundland and Labrador.

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Honourable Andrew Parsons, QC
Minister of Industry, Energy and Technology

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Departmental Overview

Organizational Structure

The Department of Industry, Energy and Technology (IET) is responsible for economic and resource development, business growth and economic diversification. It works to create and maintain a competitive economy to support investment, trade activity, research and development (R&D); foster innovation and technology transfer/commercialization; and, support industry and entrepreneurship. IET is responsible for the promotion, exploration, development, and regulation of mineral and energy resources; energy supply, demand and royalties; and energy economics and develops and monitors regulatory and benefits activities.

Lines of Business

1. Business Growth and Regional Economic Development

IET delivers various programs and services and facilitates investments to support sustainable business growth, regional economic development, and diversification including: providing information, networking opportunities, counselling services and financial supports to businesses, co-operatives, social enterprises, and community organizations; building strategic capacity; and advancing technological initiatives.

2. Resource Policy and Management

IET is responsible for the development of resource policy for energy, oil and gas, and mining; coordinating and facilitating sustainable development and management; developing and supporting regulatory and benefits activities; regulating mineral tenure, mineral exploration, and mineral development activities; and, ensuring industries follow appropriate resource management practices and regulations.

3. Resource Exploration and Assessment

Resource exploration and assessment includes all activities that precede resource development, i.e. gathering, interpreting and disseminating geoscience data and providing exploration incentives.

4. Resource Development and Promotion

IET advances strategies targeting exploration and development companies, investors, and the public to highlight the opportunities and competitiveness of the province's geology, geoscience, and regulatory model. IET also supports innovation and growth in the supply and service industry.

5. Support for Innovation

IET adopts a strategic approach to collaborative sector growth strategies and facilitates cross sector and supply chain R&D initiatives to support innovation, technology transfer and commercialization, productivity, and competitiveness. IET supports the innovation ecosystem through investments and other supports for start-ups, business accelerators and incubators.

Branches

The department delivers programs and services through five branches:

- Business and Innovation Branch
- Corporate and Strategic Services Branch
- Energy Development Branch
- Industry and Economic Development Branch
- Mining and Mineral Development Branch

The department is headquartered in St. John's with offices in Carbonear, Ferryland, Placentia, Clarenville, Marystown, Gander, St. Alban's, Grand Falls- Windsor, Deer

Lake, Corner Brook, Stephenville, Pasadena, Port aux Basques, Port Saunders, St. Anthony, Forteau, Charlottetown, Happy Valley-Goose Bay, and Labrador City.

Staff, Budget and Expenditures

As of March 31, 2021, IET employed 238 staff. Regional distribution of staff is as follows: Avalon Peninsula - 200; Central East - 17; Central West - 3; Labrador - 5; West Coast/Northern Peninsula - 13. The gender breakdown is female - 122 and male - 116.

The budget for fiscal year 2020-21 was \$95.5 million. Total net expenditures for the department for fiscal year 2020-21 was (\$199.9) million. Expenditures by division are as follows:

Division	Expenditures (net)
Minister's Office/Executive Support/Corporate & Strategic Services ¹	\$3,410,614
Geological Survey	\$3,329,823
Mineral Lands	\$1,460,058
Mineral Development	\$2,982,051
Energy Policy	\$4,011,973
Petroleum Development	\$1,098,449
Royalties and Benefits	\$2,266,045
Accelerated Growth	\$1,596,592
Business Analysis	\$1,522,520
Sector Diversification	\$3,025,861
Regional Economic and Business Development	\$3,609,568
Sector Research	\$564,818
Total	\$28,878,372

¹ In 2020-21, a portion of Executive and Support Services – specifically the Finance & General Operations function – was shared with the Department of Fisheries, Forestry & Agriculture.

During the 2020-21 fiscal year, the Department also recorded the following net expenditures of (\$228.73) million as outlined below:

- (\$1.86) million – Canada-Newfoundland & Labrador Offshore Petroleum Board (C-NLOPB)
- (\$309.02) million – Oil and Gas Industry Support ²
- \$27.92 million – Oil & Gas Corporation of Newfoundland & Labrador (OilCo)
- (\$0.24) million – Investment Attraction Fund
- \$48.61 million – Innovation & Business Investment
- \$5.86 million – Comprehensive Economic Development

Refer to the appended Financial Statements for more information on 2020-21 expenditures.

² Note: IET had negative expenditures in 2020-2021 largely due to the receipt of \$320 million in Federal Revenue during the year associated with COVID-19 Oil and Gas Industry Support.

Highlights and Partnerships

Highlights

The past fiscal year presented many obstacles related to the COVID-19 pandemic. The department has worked diligently to deliver COVID-19 relief programs and assistance through its various lines of business. It has been an unprecedented year and there have been numerous achievements worth highlighting.

Mineral and Quarry Resource Development

In response to the global pandemic, the department introduced new measures to assist the mining, mineral exploration, and quarry industries in the province, including the waiver of certain expenditure requirements under the **Mineral Act** and select fee and payment deferrals under the **Mineral Act** and **Quarry Materials Act**.

The Mineral Incentive Program provided \$1.7 million in financial assistance to encourage mineral exploration in Newfoundland and Labrador. Additionally, the department launched its new Mineral Lands Administration Portal (MinLAP).

In 2020, IET processed 389 mineral exploration applications; the highest number in any of the previous five years. Mineral exploration expenditures are estimated to be over \$66 million in 2021. This number is building towards the annual mineral expenditure vision of \$100 million by 2030 as set out in **Mining the Future 2030**.

Business Supports

IET supported technology and innovation sectors as they are significant areas of growth for the province. TechNL estimates that Newfoundland and Labrador's technology sector is valued at \$1.6 billion, with over 165 companies and 4,000 employees, and is rapidly growing. In September 2020, the Minister of IET, along with the Government of Canada, announced an investment of more than \$2.7 million to help businesses purchase digital solutions and access expertise for creating online systems and

generating new revenue streams. In January 2021, Government announced \$1.87 million in funding to help meet labour demands. The Tech Talent Strategy of TechNL will help meet this demand by working with community supports to retrain local workers with the specialized skills required and to attract professionals with these skills to the province. IET provided over \$907,000 in program funding to support various companies with the development and marketing of new and innovative technologies in the supply and service sector. IET also funded numerous businesses through its COVID-19 support programs noted throughout the report.

Innovation Ecosystem

Supporting the innovation ecosystem is key to driving new start-up businesses and accelerating the growth of Newfoundland and Labrador firms. Start-up businesses are an essential element of economic development and diversification, particularly in high growth industries, such as the technology sector. IET collaborates closely with partners to ensure there is an effective match of supports that are reflective of the needs of start-ups as they work to commercialize and scale in an evolving environment.

In 2020-21, IET supported organizations and programs in the innovation ecosystem to assist new entrepreneurs strategically build their businesses more efficiently and effectively. These initiatives are significantly improving the capacity of the ecosystem and driving growth in new start-ups. According to the **Atlantic Canada Start up Community Data Report 2019**, in the last five years the greatest growth in the Atlantic Canada startup community has been in Newfoundland and Labrador, which has more than tripled its number of startups (86 in 2019, up from 28 in 2014). Newfoundland and Labrador has had a 56 per cent increase in new start-up jobs in 2019 over 2018 and had the highest revenue growth among start-ups in Atlantic Canada at 133 per cent.

Energy

In 2020-21, financial relief was made available to many electricity customers following the onset of the COVID-19 pandemic. Through the department's actions, interconnected residential and general service customer on the Island received a one-time credit due to

fuel cost savings at the Holyrood thermal generation facility, rather than spreading the savings out over the normal longer period. Government also allocated \$2.5 million to waive interest on overdue accounts of NL Hydro and Newfoundland Power customers who met the flexible late payment requirements of their utilities.

In July 2020, IET announced funding for the purchase and installation of 28 electric vehicle charging stations across the province. This initiative supports the transition to clean energy and the department is confident that these investments in infrastructure will facilitate increased demand for electric vehicles.

Oil and Gas

IET supported the administration of the \$320 million Federal Government investment in the offshore oil and gas industry. The department also provided \$16.6 million in funding to North Atlantic Refining Limited to maintain their facility in warm idle mode, retain 200 full-time employees, and provide support as they seek a buyer for the refinery.

The Government of Newfoundland and Labrador established OilCo as a Crown Corporation on January 1, 2020 to work directly with the department and support priorities identified in **Advance 2030**. One such priority was a resource assessment, conducted by Beicip-Franlab. The assessment results identified an additional 11.1 billion barrels of in-place oil and 24.5 trillion cubic feet of in-place gas potential in Newfoundland's offshore. There is tremendous resource exploration potential in the province and the department is taking a systemic, scientific approach so that maximum benefits are achieved.

A new regional assessment process was undertaken that significantly shortens timelines and improves the process for exploration drilling program approval. The new process maintains the protection of the offshore environment, while also cutting wait times by 90 per cent. This has allowed the province to become more globally competitive while maintaining a strong and effective environmental regulatory regime.

The department continues to work with the Federal Government on the development of modern offshore operational, health and safety, and land tenure regulatory frameworks. The Frontier and Offshore Regulatory Renewal Initiative (FORRI) is a federal-provincial partnership working to modernize the regulatory framework in the Canada-NL Offshore Area. Concurrent to FORRI's work, the Atlantic Occupational Health and Safety Initiative is modernizing the occupational health and safety regulations for offshore oil and gas activities and the department has been working with the Federal Government on amendments to enhance the competitiveness of the offshore land tenure system. These initiatives support high standards for safety, environmental protection, and resource management in the offshore area and modernization of offshore regulations.

Partnerships

The department works with many industry stakeholders on a regular basis to support the growth and sustainability of the province's economic sectors. Private companies, the supply and service community, industry associations, regulatory bodies, Indigenous partners, other governments, educational institutions, labour development entities, and unions are just a few of the partners involved in the day-to-day operations of our sectors. The department also continues to work closely with various government departments and agencies. Also noteworthy, is the department's ongoing cooperation with the Federal Government and the C-NLOPB in the joint management of offshore petroleum resources. This co-management system approves and regulates significant offshore exploration and development activities.

Report on Performance

The following section of the report details the department's achievements towards its objectives for 2020–21.

Issue One – Mineral Sector Development

The Action Plan outlined in **Mining the Future 2030** will position Newfoundland and Labrador as an ideal jurisdiction for mineral resource development activity and investment. It will facilitate economic development and benefits to the province. Effective promotion will support the sustainability of the industry, where projects will continue to be found, create benefits, and employment for people of the province.

IET has made progress on the implementation of the actions identified in **Mining the Future 2030**. Continued implementation of the mineral strategy, in partnership with Mining Industry NL, has remained a focus for the department. IET is working collaboratively with industry, other government departments and the Federal Government towards making the province a jurisdiction that can compete globally for mineral investment.

There are 19 immediate action items outlined in **Mining the Future 2030** for the first two years of implementation. These actions items were combined into 13 Action Teams (for technical expertise and efficiency purposes) to support the four Focus Areas:

- Competitiveness and Efficient Regulatory Processes
- Public Geoscience, Marketing and Education
- Indigenous and Community Engagement
- Innovation and Emerging Technologies

Implementation of these actions items was slowed by COVID-19. As such, the immediate action items are on track for completion by the end of year three (2021).

Planning Period Goal:

By March 31, 2023, the Department of Industry, Energy and Technology will have advanced the mineral sector in the province.

2020-2021 Objective:

By March 31, 2021, the Department of Industry, Energy and Technology will have actioned priority initiatives identified in **Mining the Future 2030**.

Indicators:

- **Progressed work required to modernize the Mineral Act and the Mining Act**

As part of **Mining the Future 2030**, an action team responsible for modernizing the **Mineral Act** (1976) and the **Mining Act** (1999) were formed. This team developed an implementation plan and is progressing work required to modernize the **Mineral Act** and **Mining Act**. Similar legislation and regulations from other Canadian jurisdictions is being reviewed, and any policy gaps that exist in the province's current regulatory framework are being identified. These efforts will inform next steps including determining policy objectives, public consultations, and the drafting of new legislation.

- **New mining and mineral development promotions materials developed for virtual resource promotion activities**

IET created new and modernized existing promotional materials to support social media campaigns, webinars, and virtual booth formats. This adaption supported the mines and minerals sector's virtual presence at investment trade shows, conferences, and other digital platforms, as well as supported investment attraction efforts. Modernized publications can be found on the Invest in Mines and Mineral Development webpage on the IET website. IET attended three mines and minerals sector virtual investment trade shows and one virtual conference during the 2020-21 fiscal year.

- **New promotions materials, resources and supports identified to increase gender equity and diversity in the sector**

In 2020-21, the department drafted a framework outlining the outreach activities required to increase gender equity and diversity awareness within the mines and mineral sector in Newfoundland and Labrador. The framework identifies the promotional materials, resources, and supports required to strengthen gender equity, diversity and inclusion awareness within the sector, such as print and digital publications. The supports identified will assist industry and workforce entry development.

- **New outreach program for schools and communities drafted**

A draft outreach program for schools and communities was developed which outlines the promotional materials, resources, and supports necessary to create meaningful engagement focused on strengthening awareness and education of the mines and mineral sector in Newfoundland and Labrador. The program identifies the activities required to provide engaging resources, programming and educational materials for communities and public institutions in the province.

- **Program review with recommendations for work related to critical mineral development**

The department conducted a review of existing programs and activities with a critical mineral development lens. As a result of that review, IET advanced several measures related to critical mineral development that are aligned with **Mining the Future 2030's** focus areas of competitiveness, marketing, public geoscience, innovation, and emerging technologies. For instance, the department's promotional plan was revised with a critical minerals focus; IET participated in a joint Canada/U.S. investment seminar, highlighting investment ready mineral properties in Atlantic Canada focused on critical minerals; the Geological Survey continued to pursue opportunities to leverage the province's geoscience investments through the Targeted Geoscience Initiative which has a strong emphasis on critical minerals; and, IET participated in the federal-provincial-territorial Task Team on Critical Minerals and Battery Value Chains which resulted in the

development of a Canadian Critical Minerals list. IET will continue to participate in this Task Team to support critical mineral projects through the development of targeted policy, the coordination of international engagement, and supporting R&D.

- **Geoscience Technical Advisory Committee established to provide recommendations on how the Geological Survey's plans and products can best meet the needs of the industry**

The Independent Geoscience Technical Advisory Committee (TAC) serves in an advisory capacity to the Geological Survey division (GSNL). TAC provides science-based recommendations on geoscience-project selection and methods to ensure the work of GSNL meets both the mineral industry's needs and the demands for critical minerals to support the marketing of Newfoundland and Labrador and enhance exploration investment. TAC could not be established in the 2020-21 fiscal year due to delays associated with the COVID-19 pandemic. The independent appointment process of TAC members was finalized in 2021-22.

- **Started hyperspectral scanning of drill core**

Hyperspectral scanning of Drill Core is a scanning technology that uses specialized infra-red cameras to capture spectral data and generate false color mineral signatures of rock core to provide timely and accurate representation of mineral assemblages in drill core that are not easily identified by the eye. The presence or absence of these minerals supports the targeting of mineral resources and provide another type of geoscience data that can be used to promote mineral exploration opportunities in the province. The hyperspectral scanning of Drill Core project progressed in 2020-21 with the development, manufacturing, and delivery of a custom, state of the art, mobile scanning unit by the College of the North Atlantic's Office of Applied Research and Innovation. Initial scanning tests were successful and scanning will continue in 2021-22.

2021-2022 Objective:

By March 31, 2022, the Department of Industry, Energy and Technology will have actioned opportunities to align and enhance departmental service delivery to support sector growth and development.

Indicators:

- Continued implementation of **Mining the Future 2030**
- Advanced the development of the new quarry legislation
- Enhanced the Mineral Lands Administration Portal (MinLAP)
- Modernized the global investment attraction promotions utilizing digital strategies

Issue Two – Responsible Oil and Gas Development

Newfoundland and Labrador's offshore oil and gas industry plays a key role in the global energy transition. The province's offshore projects are among some of the lowest carbon intensity emitting facilities in the world. **Advance 2030** continues to be the guiding strategy for the NL oil and gas sector and the general principles and priorities remain relevant. Implementation of mid-term actions continue with some challenges due to the COVID-19 pandemic. The work of the Oil and Gas Task Force has further validated the strategy and raised additional challenges and opportunities to consider, such as the energy transition.

A focus on accelerating exploration and development activities, and availing of technological advancements will lead to the realization of sustainable developments and will allow NL to remain a low-carbon jurisdiction. Through continued collaboration with the Federal Government, regulatory partners and industry, government continues to identify and implement changes to streamline processes to increase industry competitiveness. This sector has attracted significant foreign capital investment, generated tens of thousands of jobs and supported important public services.

Planning Period Goal:

By March 31, 2023, the Department of Industry, Energy and Technology will have taken direct action in support of accelerating the responsible development of the province's offshore oil and gas resources.

2020-2021 Objective:

By March 31, 2021, the Department of Industry, Energy and Technology will have actioned priority initiatives designed to support the provincial oil and gas sector in response to the pandemic and the low global oil price.

Indicators:

- **Worked with the federal government and industry to identify and implement supports to help companies manage through the pandemic and low price environment**

On September 25, 2020, the province signed an agreement with the Federal Government for \$320 million to support direct and indirect employment in the NL oil and gas sector as well as activities that generate environmental or co-benefits. Additionally, working with the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB), various initiatives to support and incentivize offshore exploration drilling companies were developed. The C-NLOPB's terms and conditions of Call for Bids were amended in relation to drilling-related overhead costs to provide greater certainty and create administrative efficiencies for the submission and review of applications for allowable expenditure credits. The terms and conditions were also amended in relation to the refunding of security deposits to provide an uplift of any approved allowable expenditure credit directly correlated to the number of wells drilled.

- **Established a provincial task force to identify immediate actions required to sustain the offshore oil and gas industry**

In September 2020, the Oil and Gas Recovery Task Force (Task Force) was established. Reporting to the Oil and Gas Industry Development Council, the Task Force was responsible for focusing on immediate actions required to sustain the offshore industry in Newfoundland and Labrador and providing recommendations on maximizing benefits and value to the province.

- **Supported the administration of \$320 million federal government investment in the offshore oil and gas industry**

The Oil and Gas Industry Recovery Task Force worked diligently to develop criteria and eligibility requirements for the Newfoundland and Labrador Offshore Oil and Gas Industry Recovery Assistance Fund, applications were submitted to the province in

November 2020. In December 2020, the province awarded Husky Energy \$41.5 million to maintain jobs in the near term and support a potential 2022 restart of the West White Rose Project as well as \$38 million to the Hibernia Management and Development Corporation to support well work, drill rig upgrades, and investments in digital technology for the Hibernia Project. On January 7, 2021 the province issued a \$32 million call for proposals to support the NL oil and gas supply and service community. On January 14, 2021, the province signed a non-binding MOU with the owners of the Terra Nova Project to provide up to \$175 million in funding to support a return to production for the project.

- **Worked directly with companies to support continued exploration and operation in offshore NL**

IET worked with operators to support continued exploration and operation in offshore NL. The department developed the Offshore Exploration Incentive by gathering and incorporating feedback from operators and developing and enhancing Geographic Information System (GIS) products and services aimed at reducing effort in finding and accessing relevant information and data related to the offshore petroleum resources and past exploration activities. The department revamped the Regional Assessment Process to significantly reduce wait times for exploration drilling program approval to 90 days, which is consistent with other jurisdictions, from the previous one to three year timeline.

- **Established and communicated clear eligibility criteria and program functioning of the Offshore Exploration Incentive**

On September 24, 2020, the establishment of a new offshore exploration initiative was announced to provide companies with the incentive to drill more wells in the offshore area. This initiative allows for all future bid deposit forfeitures to be reinvested as received, resulting in an injection of hundreds of millions of dollars in support of growth in the offshore petroleum industry. IET established and communicated the eligibility criteria for the Offshore Exploration Incentive. The second and third exploration wells

drilled on an eligible exploration licence that target new distinct, geological features are eligible to receive a \$30 million and \$50 million reimbursement, respectively. The initiative commenced in 2021 and will continue until 2024. IET received the first application under the program this fiscal year.

- **Implemented accelerated write-down program for Security Deposits**

This is an IET implemented initiative and involves revisions to the C-NLOPB policy regarding refunding of offshore exploration drilling security deposits. As a result, in August 2020 changes related to an uplift on any approved allowable expenditure credit directly correlated to the number of wells drilled were adopted with the C-NLOPB creating and implementing a security deposit model for this and future Calls for Bids to support both early-term drilling and multi-well programs. (<https://www.cnlopbc.ca/wp-content/uploads/news/notetobid.pdf>)

- **Increased offshore promotion through virtual trade shows**

The onset of the COVID-19 pandemic temporarily changed the approach for the annual trade show circuit for offshore promotions. Of the 11 annual physical shows focused on the offshore sector, only seven pivoted to a virtual concept while the remaining four deferred to the next calendar year. During the reporting period IET participated as an exhibitor in four virtual investment attraction trade shows focused on offshore promotion: the Newfoundland and Labrador Oil and Gas Industries Association (NOIA) Conference; the GeoConvention; the American Association of Petroleum Geoscientists (AAPG) Conference; and the AAPG Petroleum and Property Expo (APPEX). IET participated as a delegate in five international virtual investment attraction events focused on the offshore sector; the Energy/Infrastructure Symposium, Gastech, Offshore Northern Seas, Society of Petroleum Engineers Annual Technical Conference and Exhibition, and CERAWEEK 2021. IET also presented in one webinar focused on energy development, organized at Invest in Canada, titled the “Moonshot”. There were also a number of other industry webinars that IET team members attended in support of the service and supply sector such as the Guyana Webinar Series.

- **Progressed Basin-Specific Plans with a regional focus may be needed to support exploration attraction, far offshore supply logistics, improved operational efficiencies, and maximize economic recovery**

In 2020-21, the following activities were carried out to progress Basin-Specific Plans:

1. Consulted with the UK Oil and Gas Authority (OGA) and C-NLOPB with respect to best practices in an evolving industry and maximizing economic recovery (MER) legislation.
2. Investigated the potential of offshore platform electrification to assess key challenges to electrifying floating, production, storage and offloading facilities by engaging Aker Solutions through the province's Crown Corporation, OilCo, and NEIA and NOIA.
3. Improved understanding of prospects in Southern Labrador and Southeast Newfoundland through Oilco's participation in the acquisition of the Torngat 3D and South Bank seismic surveys (in a partnership with Multiklient Invest AS).

- **Continued to support industry to expand integrated operations, including business start-ups and diversification.**

IET is supporting Petroleum Research NL (PRNL) in the development of a Digital Innovation Strategy for the NL Oil and Gas Industry, to help develop world class digitalization capability in the region and collaboration across business sectors, industries, and academia, ensuring the development of new talent. This will also facilitate business start-ups and diversification in this sector, creating more opportunities.

- **Participated in active dialogue with industry and other jurisdictions in support of creating a natural gas development plan**

IET maintained discussions with a number of potential proponents locally and internationally with respect to Liquefied Natural Gas (LNG) development opportunities.

Officials attended the Gastech Conference 2020 and gained valuable market information on global natural gas opportunities; the Canada Energy Forum (moderated by the Embassy of Canada) in November 2020 to learn about how Canada and Japan are building a LNG trading relationship; participated in a Canada federal-provincial-territorial meeting on natural gas; and continued to progress the development of a gas royalty regime.

IET is collaborating with NEIA, industry, and Nova Scotia Offshore Energy Research Association (OERA) in a Hydrogen Feasibility Workshop which includes a natural gas (Blue Hydrogen) as a potential opportunity. Initial discussions related to potential interest in gas development were held with the Government of Nova Scotia, LNG Canada, Hess, and Kuwait Foreign Petroleum Exploration Company.

2020-2021 Objective:

By March 31, 2022, the Department of Industry, Energy and Technology will have implemented priority actions in **Advance 2030** to support maintenance and growth of the offshore oil and gas sector.

Indicators:

- Continued administration of the Oil Exploration Incentive program to support the Oil and Gas Sector
- Supported local service and supply companies through investments from the Oil and Gas Industry Recovery Assistance (OGIRA) Fund and the Innovation and Business Development Fund (IBDF)
- Advanced the development of a natural gas fiscal framework
- Collaborated with the Federal Government on amendments to the Accord Acts

Issue Three – Technology and the Innovation Ecosystem

Supporting new technology, research and development opportunities, and digital solutions is a continuing priority to support the province's innovation ecosystem. The COVID-19 pandemic has heightened awareness of the importance of technology for the delivery of services and business activity. Advancing an innovation economy in Newfoundland and Labrador will drive expansion and growth of the technological capability of firms and organizations throughout the province and will prepare them to compete globally. IET has undertaken a significant amount of focused work between governments, industry, academia, and community partners. Through continued collaboration, the implementation of proactive and responsive supports, and a strong commitment to innovation, all partners are witnessing the growing strength of the innovation ecosystem. With collaboration and partnerships, the department is leveraging partner strengths, aligning programs and services, and undertaking proactive approaches to developing solutions and addressing issues in real time to maximize client benefits.

Planning Period Goal:

By March 31, 2023, the Department of Industry, Energy and Technology will have supported the technology sector and innovation ecosystem in the province.

2020-2021 Objective:

By March 31, 2021, the Department of Industry, Energy and Technology will have collaborated with industry partners to support the technology sector and innovation ecosystem in the province.

Indicators:

- **Worked with industry and ecosystem partners to initiate business and market development initiatives**

In 2020-21, IET's international business development activities transitioned to virtual platforms, delivering and participating in online business sessions through interactive digital platforms where exporters continue to meet experts, expand their networks, and connect with prospective partners, buyers, and sellers. Trade development programs and initiatives advanced as part of the full trade calendar of events for 2020-21 include:

- Early in 2021, NOIA, in partnership with IET and the Atlantic Canada Opportunities Agency (ACOA), hosted a virtual trade mission to Guyana. Companies recognized the tremendous potential this market offers for those in the oil and gas supply service sector and beyond.
- IET in collaboration with NEIA and ACOA continued its sustained program of international business development activities related to the Caribbean region, in order to support NL clean technology firms pursuing international business opportunities in that region.
- The Europe Market Development Program is a multi-sector, multi-year initiative under the Atlantic Trade and Investment Growth Strategy led by the four Atlantic Provincial Governments and the Federal Government, which launched with two NL companies participating in 2020-21. This targeted program provides "last mile support" to experienced Atlantic Canadian companies targeting the European market.

Other European-based trade development activities included:

- IET led a virtual provincial delegation of six ocean technology companies to Oceanology International London in December 2020.
- IET collaborated with federal and provincial partners to deliver a food and beverage-focused virtual trade event in fall 2020, with emphasis on Germany and the Netherlands.

- IET worked with the Trade Commissioners Service on a Canada-European Union Comprehensive Economic and Trade Agreement (CETA) Business Summit, held in December 2020, and incorporated three days of virtual seminars for small businesses and entrepreneurs across Canada to learn about how exporting into the European market and CETA could help grow their businesses.
- **Established partnerships with innovation ecosystem organizations to grow number of new startups**

IET is supporting the innovation ecosystem to drive new start-up businesses and accelerate the growth of Newfoundland and Labrador firms. In 2020-21, IET supported organizations and programs in the innovation ecosystem to assist new entrepreneurs strategically build their businesses more efficiently and effectively. In particular, IET provided annual support for programming such as the Genesis Centre and Memorial Centre for Entrepreneurship (MCE), Bounce Health Innovation, Eastern Health's Living Lab, and Propel ICT. IET also worked with MCE on a COVID-19 special project to increase the number of entrepreneurial work terms and Ignite grants for students exploring starting their own businesses and continued to support the Genesis Micro Fund that helps provide seed funding for new businesses. IET also continued to support the Navigate Entrepreneurship Centre at Memorial University's Grenfell Campus in Corner Brook. The primary focus in 2020-21 was to enhance the partnership with the College of the North Atlantic as well to strengthen partnerships with industry to provide programming in order to foster and enhance entrepreneurship and innovation in the region.

- **Collaborated on investments for commercial and non-commercial research and development investments**

As part of the **Business Innovation Agenda**, government's policy framework for strengthening business, IET committed to helping create a sustainable environment for our start-ups and small and medium-sized enterprises to innovate, grow and scale for global markets. The financial and non-financial investments in businesses provides

support for: research and development (R&D); intellectual property (IP) development and commercialization; productivity improvement; innovation enhancement; and growth and internationalization. The aim is to provide companies with complex needs, across all stages of development, with the right supports, through the right mechanisms, at the right time. This means timely access to capital, advisory services, networks and other resources required to capitalize on innovation and export opportunities. R&D activity led by public higher education institutions has long been a strong point for NL. Likewise, the highest performing economies are those driven by business-led R&D, therefore providing supports for business in this area is important to government's goal of building an innovation economy.

In 2020-21, the department saw positive momentum in this regard, approving \$5.5 million across 22 non-commercial projects and \$7.7 million in 34 commercial projects. The value of commercial R&D approvals is up 370% year over year, with commercial R&D investments representing 66% of total provincial R&D investment in 2020-21. As a result of these investments, NL companies are building critical technical, operational, and project management capacity; retaining hard to attract high qualified personnel; and, developing and commercializing Intellectual Property.

- Partnered with industry to advance private sector-driven strategic trade development plans to grow exports in select knowledge-based industries, such as Aerospace & Defence; Biosciences; Clean Technology; Information and Communications Technology; and Ocean Technology.**

IET is part of the collaborative Atlantic Trade and Investment Growth Strategy & Agreement (ATIGA) - a five-year, \$20 million, federal-provincial agreement designed to support the region's exporter base. Through ATIGA, IET partners with industry to invest in the implementation of private sector-driven strategic trade development plans to grow exports in select knowledge-based and value-added resource industries, including: Aerospace & Defence; Agri-food; Seafood; Biosciences; Clean Tech; Information and Communications Technology; Infrastructure; Ocean Tech; and Extractive Industries. The pooling of federal-provincial pan-Atlantic resources, that ATIGA supports, enables

NL companies to participate in an increased number and broader range of trade development projects in more diverse markets than could otherwise be afforded. In 2020-21, as part of ATIGA, the province participated in trade and investment projects totaling \$2.9 million in 17 sector-based pan-Atlantic trade initiatives, significantly leveraging its annual \$200,000 contribution to the Agreement.

2021-2022 Objective:

By March 31, 2022, the Department of Industry, Energy and Technology will have actioned initiatives to support the technology sector and innovation ecosystem in the province.

Indicators:

- Supported business and market development initiatives
- Supported the technology sector by advancing action items in the **Technology Sector Work Plan** and **Business Innovation Agenda**
- Established partnerships to advance supports in the innovation ecosystem
- Supported commercial and academic R&D initiatives

Issue Four – Business Growth and Regional Economic Development

Business growth is tied to regional economic growth. Diversifying businesses and strengthening regional development are key to growing the economy. IET collaborates with stakeholders and industry to identify specific areas of focus to create economic opportunity in all regions of the province. IET has successfully partnered with many stakeholders throughout the province, such as private businesses, new start-ups, industry associations, economic development organizations, and Indigenous partners to advance economic development initiatives. The department continues to take a collaborative approach to addressing challenges and opportunities and to adapt programs and supports. This has been particularly important given the economic circumstances related to the COVID-19 pandemic, through which the department continues to work with economic development organizations, the Federal Government and business stakeholders to develop and implement ideas that support economic growth, and make investments that have long-term positive impacts on regional economies. IET is also investing in modern telecommunications to advance connectivity in the province. We are aligning our efforts and capitalizing on the synergies across major driving forces of the economy. The department is working on embracing innovation in the province, which not only drives the success of firms and organizations, but also the economic and social wellbeing of communities.

Planning Period Goal:

By March 31, 2023, the Department of Industry, Energy and Technology will have supported business growth and regional economic development activities.

2020-2021 Objective:

By March 31, 2021, the Department of Industry, Energy and Technology will have worked with partners to support business growth and regional economic development initiatives.

Indicators:

- **Invested in business and regional economic development initiatives**

IET invests in business and regional economic development through various funding programs, such as the Innovation and Business Investment Corporation (IBIC); Business Development Support Program (BDS); Business Investment Program (BI); Innovation and Business Development Fund (IBDF); and Regional Development Fund (RDF). Funding totals for 2020-21 are as follows:

1. IBIC-R&D: 56 projects totaling \$13,190,283
2. BDS: 110 projects totaling \$5,454,812, leveraging \$6,155,131
3. BI: 17 projects totaling \$1,967,226, leveraging \$2,477,727
4. IBDF: 11 projects totaling \$4,434,909, leveraging \$8,721,884
5. RDF: 73 projects totaling \$4,863,850, leveraging \$15,546,863

- **Delivered COVID-19 relief programs such as the Small Business Assistance Program**

The Provincial Government established the Business Response Team with the support of Public Health during the province's initial response to the COVID-19 pandemic. The Business Response Team worked with the Department of Health and Community Services to assist businesses with understanding Alert Levels, Special Measures Orders and other COVID-19 information. By the end of March 2021, there were more than 3,300 inquiries to the Business Response Team. IET also led a number of COVID-19 relief programs and policy changes to support businesses with the impacts of the pandemic.

Loan Payment Deferral/Business Development/R&D Support

One of the first policy changes implemented by the department was a deferral of loan payments throughout 2020, and up until February 2021. This enabled clients to manage their cash flow while dealing with the strain of limited income due to restrictions and

increased costs associated with business adaptations. For commercial applicants, IET also made strategic policy changes to its regular programs, including enhancing government contribution rates for research and development and business development support projects. The maximum contribution to projects is normally 50 per cent of the total eligible costs which was increased to allow for an up to 75 per cent contribution toward eligible project expenses.

Small Business Assistance Program

In October 2020, IET launched the \$30 million Small Business Assistance Program, including \$25 million for eligible small businesses and \$5 million to non-profit community organizations, to provide relief for the impacts felt as a result of the COVID-19 pandemic. Eligible small businesses and organizations received a one-time non-repayable contribution of \$5,000, \$7,500, or \$10,000 to provide relief for the impacts felt as a result of the COVID-19 pandemic, such as revenue losses and required business adaptations including physical space, online sales innovation, and the increased costs of health and safety protocols. IET received applications up to December 22, 2020 and opened the program for an additional intake from February 25 to March 11, 2021. The department approved a total of 4065 applications.

Tourism and Hospitality Support Program

In June 2020, government launched the \$25 million Tourism and Hospitality Support Program to assist eligible tourism and hospitality based operators impacted by the COVID-19 pandemic. Eligible operators received a one-time, non-repayable contribution of either \$5,000 or \$10,000, dependent on gross sales. IET received applications up to January 29, 2021 with an additional intake from February 25 to March 11, 2021. In total, IET approved 1217 applications for assistance from tourism and hospitality operators.

Business Technology Solutions

In response to the impacts on businesses from the COVID-19 pandemic, IET supported TechNL with an initiative to assist businesses in acquiring technology solutions and processes, pivoting their business/delivery models, and generating online sales. Up to

\$15,000 was available to eligible business applicants. With IET's support of \$2 million, and \$4 million contributed by ACOA and industry partners, this \$6 million initiative will help an estimated 400 companies develop new ideas to increase or enhance their online sales revenue and service offerings. By enabling access to the necessary expertise and supporting the purchase and implementation of technologies/digital solutions, this initiative will ultimately help companies adapt and generate new revenue streams.

- **Leveraged investment from sources such as the Federal Government and industry**

IET collaborates with its partners to ensure supports are available to high growth firms and new start-ups to grow to their full potential. The technology sector offers tremendous opportunities to leverage investment in the province through collaboration and strong start-up activity. In 2020-21, through R&D investments alone, IET leveraged a total of \$28,981,732 (commercial \$15,652,625 and non-commercial \$13,329,107) in investments from partners and industry. Through the Regional Development Fund, the leveraged investment amount is approximately \$15,546,863. Through the Business Investment Program, the leveraged investment amount is approximately \$2,477,727.

- **Implemented sector growth initiatives for Technology, Manufacturing and Processing, Food and Beverage, and Craft & Gift**

Throughout 2020-21, IET continued collaboration with sector associations and other partners to advance strategic work plans and initiatives in support of sector growth.

Technology Sector: IET continued to advance priorities of the **Technology Sector Work Plan**, which outlines a set of recommendations for increasing business activity and private sector jobs that support the creation, development, and adoption of technology throughout the province. IET, along with TechNL, the Newfoundland and Labrador Environmental Industry Association (NEIA), the Atlantic Canada Aerospace and Defence Association (ACADA), and the Canadian Manufacturers and Exporters

Newfoundland and Labrador (CME-NL) led the implementation of key recommendations from the work plan. The plan includes 27 actions that each of the partners drive in order to achieve the collective goal of growing the technology industry and stimulating new private sector employment.

A priority focus for the technology sector is the development, attraction and retention of a dynamic and highly qualified workforce that can support the growth of local tech companies. IET has worked with the technology sector to advance several avenues to support labour market supply and demand challenges. Another important target group for talent development in the technology sector is in the K-12 school system where initiatives are building awareness and experience in youth for careers in technology. IET continued to support the Brilliant Labs initiative, which supports the integration of creativity, innovation, coding, and entrepreneurship in Newfoundland and Labrador classrooms and educational curricula. In addition, IET supports other youth innovation initiatives such as the First Technology Association, to inspire young people to pursue further studies and careers in the field of science, technology, engineering and math (STEM).

IET is also supporting the development of an Innovation Centre in Newfoundland and Labrador, a physical hub that fosters innovative activity where collaborations are explored and connections between businesses and other partners are supported to accelerate economic growth. In partnership with TechNL and other key stakeholders, the first phase of the initiative is underway with a focus on establishing a vision for the centre, completing the physical needs assessment, and developing a governance model.

In addition to broad technology sector priorities, there are a number of focused areas within the sector.

Ocean Technology: Newfoundland and Labrador has the largest ocean economy in Canada and it plays a significant role in the provincial economy through the

development of sectors, such as the fishery, aquaculture, oil and gas, ship building, transportation, and technology. IET, along with industry partners, helped local companies diversify with new emerging opportunities and sector growth. Advanced technology, aquaculture, and marine biotechnology developments has resulted in the introduction of new, innovative and international start-ups. The province is also a partner engaged in the Ocean Supercluster, led by the private sector with funding from the Government of Canada, for greater collaboration, research and development, and commercialization of digital technologies.

Clean Technology: IET worked with stakeholder groups to coordinate provincial clean technology priorities and align cross-sector activities and investment.

Health Innovation: IET supported innovation in the health sector and numerous start-up companies have produced innovative medical technologies that are receiving significant attention from investors.

Craft & Gift Sector: IET partnered with the Craft Council of Newfoundland and Labrador, and other key craft industry stakeholders, to continue to advance the provincial Craft Industry Strategy.

Manufacturing and Processing Sector: IET works closely with Canadian Manufacturers and Exporters-Newfoundland and Labrador to develop and support programming and initiatives within the manufacturing sector, including cooperatively delivering the Manufacturing Insights and Manufacturing Productivity programs. The priorities include delivering targeted information sessions and face-to-face meetings between small business practitioners and local industry, technology assessments, and marketing assistance.

Food and Beverage Sector: IET continued to support the growth and development of food and beverage companies in 2020-21. In particular, the department provided business development support to several new craft breweries to develop their marketing

strategies, branding and online presence efforts. IET also supported food producers to implement product packaging and expansion initiatives to advance their export development strategies.

- **Facilitated sector and regional partnerships to advance economic diversification**

Despite COVID-19 limitations on group gatherings, restrictions for in-person sessions, and as organizations were challenged to adapt to the pandemic, there were many initiatives that continued to advance. IET facilitated economic diversification opportunities in partnership with regional stakeholders and remained committed to helping communities, non-profit organizations, and businesses to thrive.

- IET worked closely with the Department of Tourism, Culture, Arts and Recreation (TCAR) and industry partners throughout the province to advance the tourism industry in all regions. In addition to ongoing economic planning and strategy development activities, investments were actioned to support new product experiences. For example, IET continued to partner with TCAR, the Town of Twillingate, the Government of Canada, and other stakeholders in a development process for the expansion of the Twillingate Islands trails network. Prioritizing and investing in the trail system will lead to further development of eco-tourism and outdoor experience-based businesses.
- In October 2020, improvements for the Newfoundland T’railway were announced, with more than \$340,000 in funding allocated jointly by provincial departments and the Government of Canada. The investment will allow explorers to further experience the unforgettable charm of the province’s southwest coast.
- IET continued to work with the Discovery Aspiring Geopark Inc, (DAGI) to establish a sustainable UNESCO Global Geopark on the Bonavista Peninsula. IET and other partners supported DAGI, along with UNESCO Global Geopark stakeholders, to achieve the UNESCO Global Geoparks designation. This will be a catalyst for sustainable geo-tourism development in the region and highlight an international profile of the area’s geological significance and unique landforms.

- IET provided support to a newly formed organization, TaskForce NL Inc. (TFNL). TFNL's volunteer efforts focused on short-term solutions during an acute crisis to support the provincial healthcare system by sourcing and manufacturing a reliable, high-quality, local supply of personal protective equipment for frontline healthcare workers. IET, in partnership with the Federal Government, assisted TFNL with professional services and R&D activity for the development of locally manufactured personal protective equipment and supply chains for the healthcare system.
- IET continues to collaborate with the Newfoundland-Labrador Federation of Co-operatives (NLFC) through the ongoing delivery of activities in the existing joint Memorandum of Understanding. Despite challenges in 2020-21 due to the pandemic, the NLFC adapted and implemented new methods to connect to members through virtual technology ensuring continued advancement of the initiatives within the sector. The NLFC also availed of IET's Community Capacity Building program to deliver co-operative training modules to a group of newcomers to Canada.
- IET, Destination Labrador, and Parks Canada collaborated with the Nunacor Development Corporation for the NunatuKavut Business Centre (NBC) to continue to provide entrepreneurship awareness, promotion, business skills development, and maintaining the NunatuKavut Business Registry. The NBC provides business support and services to all members and works in partnership with organizations such as the Indigenous Tourism Association, Ulnooweg Development Group, and the Community Business Development Corporation (CBDC).
- IET and ACOA collaborated with the Harris Centre of Regional Policy and Development to support the Thriving Regions partnership process. Supports included, funding to assist with the costs associated with the regional sessions and applied research fund studies. IET maintains regular dialogue with ACOA and the Harris Centre to ensure a consistent approach in all areas.
- IET is working in partnership with key organizations and stakeholders collaboratively to advance social enterprise development in Newfoundland and

Labrador. The **Social Enterprise Action Plan** identifies a need for more research about social enterprise activity in Newfoundland and Labrador. In 2020-21, IET conducted a Social Enterprise Research Call for Proposals through the Regional Development Fund. Projects that were research focused and exploring the use of social enterprise activities in NL. Ten projects were approved with partners throughout the province, with a total IET commitment of \$441,379.

- IET and ACOA collaborated to support the Newfoundland and Labrador Organization of Women Entrepreneurs' (NLOWE) export development programs and services for its member companies that target both new and experienced woman-owned small and medium sized enterprises. IET invested \$124,680 in the two-year project, along with \$168,867 from ACOA. Other notable funded activities by IET included Canada's Ocean Super Cluster; industry associations and organizations; innovation-research accelerators and incubators; social enterprises; and supply-services. Supporting regional organizations plays an important role in indirectly supporting all sector businesses.

- **Advanced cell service initiatives throughout the province**

IET approved funding of over \$875,000 to advance Phase II of expanding cellular service in areas across the province. Funding was approved in January 2021 to support a project between Bell Canada and 11 communities to establish or enhance cellular service. The funding enables the advanced deployment of Bell's LTE broadband wireless technology in the (11) communities of Bay de Verde, Burin, Burlington, Conche, Cow Head, Cox's Cove, Forteau, Hampden, McIvers, Trout River, and Winterton. In addition to the provincial investment, Bell Canada invested \$2,159,588 and community partners invested \$465,826. In partnership with IET, Bell Canada and 11 communities will be receiving new or enhanced infrastructure to improve the business case for telecommunication carriers to expand coverage and provide service to these communities.

- **Established partnerships to advance broadband connectivity**

In 2020, the Federal Government issued two calls for proposals for broadband initiatives through two programs, the Canadian Radio-television and Telecommunications Commission's (CRTC) Broadband Fund and Innovation, Science and Economic Development Canada's (ISED) Universal Broadband Fund. In 2020-21, IET worked closely with the Federal Government in their role as lead on the national commitment to invest in connectivity growth. IET engaged in discussions about opportunities and urgent priorities with service providers, community partners, and other stakeholders to identify priority areas for investment. The department expects an announcement for successful broadband projects for Newfoundland and Labrador in 2021-22.

2021-2022 Objective:

By March 31, 2022, the Department of Industry, Energy and Technology will have actioned initiatives to support business growth and regional economic development initiatives.

Indicators:

- Advanced sector development priorities in partnerships with industry associations
- Supported regional priorities through the regional development fund
- Supported social enterprises for business and regional growth
- Invested in business led R&D and tech initiatives, high-growth potential firms and supported business investment in tech and tech adoption
- Provided market ready companies support to access the global market
- Advanced broadband and cellular service connectivity

Issue Five – Electricity and Renewable Energy

IET's electricity and renewable energy division, works with its stakeholders to oversee the improved governance of the province's electricity sector. The division continued to ensure effective electricity sector oversight and engagement; participated on the Ministerial Committee implementing actions related to the Muskrat Falls Inquiry; participated on the Muskrat Falls Oversight Committee; and participated in the Atlantic Clean Energy Roadmap process with other Atlantic Provincial Governments and utilities.

The Government of Newfoundland and Labrador is committed to net-zero emissions by 2050. In order to leverage the global opportunity, create employment opportunities for the people of the province, and further position Newfoundland and Labrador as an energy supplier. IET is working to develop a provincial renewable energy plan guided by the critical input of industry and stakeholders, while supporting other priorities, including rate mitigation. NL has a wealth of undeveloped renewable energy resources, including but not limited to, hydro, wind, wave, tidal and biomass. The province's abundance of renewable energy resources presents significant opportunities within and outside of Newfoundland and Labrador. Renewable energy will also play an important role in addressing climate change which is occurring at an unprecedented pace worldwide.

Planning Period Goal:

By March 31, 2023, the Department of Industry, Energy and Technology will have improved the governance of the province's electricity sector, to provide greater value to the people of the province.

2020-2021 Objective:

By March 31, 2021, the Department of Industry, Energy and Technology will have continued to ensure effective electricity sector oversight and engagement.

Indicators:

- **Implement legislative changes to enable greater alignment between government and Nalcor Energy with respect to compensation**

Both the **Muskrat Falls Inquiry Final Report** and the Board of Commissions of Public Utilities Final Report, **Rate Mitigation Options and Impacts – Muskrat Falls Project**, recommended that government consider various changes to Nalcor and Hydro governance and structure to realize operational savings. In 2020, the Minister of IET advised Nalcor Energy that government intended to take steps to eliminate bonuses as part of executive compensation and on December 10, 2020, the Minister introduced Bill 55, **An Act to Amend the Energy Corporation Act and the Hydro Corporation Act, 2007**. Bill 55 was not passed before the closing of the fall session, but was reintroduced as Bill 9 in the following spring session. Bill 9 was passed and received royal assent on April 23, 2021. Specifics on the legislative amendments can be found on the House of Assembly's website: <https://www.assembly.nl.ca/Legislation/sr/Annualstatutes/2021/2105.chp.htm>

- **Chair ministerial committee implementing actions related to the Muskrat Falls Inquiry**

In October 2020, the LGIC established the Cabinet Committee on the Implementation of the Muskrat Falls Inquiry Report, with the Minister of Industry, Energy and Technology as Chair. This committee oversees the multi-departmental Deputy Ministers' Steering Committee that was established in April 2020 to oversee an implementation plan for the 17 key and ancillary recommendations outlined in the March 2020 **Muskrat Falls Inquiry Report**.

- **Pursue opportunities to expand markets for Muskrat Falls power through the Atlantic Loop**

During 2020-2021, IET continued to participate in the Atlantic Clean Energy Roadmap process with the other Atlantic Provincial Governments, provincial utilities, the Government of Canada and the Government of Quebec. The committee is focused on how to facilitate future retirement of fossil fuel power generation in Nova Scotia and New Brunswick to reduce carbon emissions contributing to climate change. Committee work includes studies on regional load growth forecasting and the supply and transmission of low carbon-emitting power supply from Newfoundland and Labrador and Quebec. Collaborating with regional and federal counterparts is helping IET to better understand the challenges and opportunities for expanding the market value of the province's renewable electricity resources.

- **Participated in the Oversight Committee meetings**

In March 2014, the Government of Newfoundland and Labrador established the Muskrat Falls Oversight Committee with a mandate to provide reliable and transparent oversight so that the public can have confidence in the management of project costs, schedule, and risks. The committee is chaired by the Executive Director of the Muskrat Falls Project Oversight Committee and committee members include officials from IET, other departments, and independent members. During 2020-21, IET officials participated in:

- monthly committee meetings to receive project updates from Nalcor Energy project teams, pose questions to Nalcor, and discuss any committee members' concerns or questions;
- monthly Nalcor Energy project reporting conference calls to the Independent Engineer and Natural Resources Canada;
- trilateral conference calls with the Independent Engineer and Natural Resources Canada to discuss various project matters as required.

- **Continue to engage with Indigenous stakeholders on opportunities to pursue sustainable renewable solutions**

The department, in conjunction with Newfoundland and Labrador Hydro, is exploring how to reduce diesel consumption in Labrador's remote diesel systems, including integrating renewable energy into these systems and exploring options and costs of transmitting hydroelectric power to the communities from the Newfoundland and Labrador Interconnected System. In 2020, IET facilitated Government of Canada funding for Newfoundland and Labrador Hydro to hire an engineering consultant to conduct a study, including Class 5 estimates, on the options and costs of Labrador diesel generation alternatives. The consultant was hired and the final report was obtained in 2020. More detailed analyses of the renewable resource options in Labrador's diesel systems will consider Indigenous and communities views, economic impacts and environmental considerations. Appropriate consultation with communities and Indigenous partners is critical before pursuing renewable energy projects in the province's diesel systems.

Throughout 2020-21, officials with IET and the Nunatsiavut Government had numerous calls to obtain information and updates on Nunatsiavut's Nain Wind Power Micro-Grid project. Through this project, the Nunatsiavut Government proposes to develop a wind power micro-grid, approximately 2 kms west of the center of the Town of Nain, to reduce the reliance on Newfoundland and Labrador Hydro's diesel generation. The project has an approximate generation capacity of 1.8 to 2.3 megawatts. The project was registered for Environmental Assessment on February 10, 2021.

In 2020-21, IET also assisted and supported the Nunatsiavut Government in its application to the Government of Canada for \$1.32 million in federal funding to purchase and install high-efficiency wood stoves in Nunatsiavut communities. Throughout 2020-21, staff of IET also had regular calls with staff of the Nunatsiavut Government to discuss their renewable energy priorities and opportunities for further collaboration with IET. This valuable work is ongoing and will continue.

During 2020-21, and at the request of the NunatuKuvut Community Council, the Minister of IET wrote a letter of support for the NunatuKuvut Community Council's funding application to Natural Resources Canada's Indigenous Forestry Initiative, for a community firewood social enterprise.

- **Provide industry and stakeholders the opportunity to provide input for consideration in the province's renewable energy plan**

In 2019, an eight-member industry and stakeholder working group was established to discuss ideas for a renewable energy plan and to assist Government as it prepared for larger industry and stakeholder consultations. While these consultations were planned for spring 2020, they were postponed given evolving COVID-19 restrictions on in-person gatherings. As such, during summer 2020, IET requested electronic input from the eight-member industry group members on: consultations options given on-going COVID-19 restrictions (i.e. online only versus waiting for the lifting of COVID-19 in-person restrictions); and, draft materials to be used during in-person and/or virtual consultations. Input from the group was incorporated into the consultation approach and documents.

- **Finalize and release the renewable energy plan**

The finalization and release of the renewable energy plan did not occur due to delays related to the COVID-19 pandemic. In-person consultations were planned for spring 2020 with industry and stakeholders in St. John's, Corner Brook and Happy Valley-Goose Bay; however, evolving COVID-19 restrictions on gatherings suspended in-person consultations. Virtual consultations were planned for early 2021; however, this was postponed due to a COVID-19 "circuit breaker" lockdown which shifted government priorities to respond to COVID-19, and a provincial election which placed the government in caretaker mode. Online consultations are planned for targeted industry and stakeholders in 2021.

2021-2022 Objective:

By March 31, 2022, the Department of Industry, Energy and Technology will have initiated immediate actions identified in the Muskrat Falls Inquiry Report, Public Utilities Board's report on rate mitigation options, and the provincial renewable energy plan.

Indicators:

- Initiated actions related to the **Final Report of the Commission of Inquiry Respecting the Muskrat Falls Project**
- Initiated actions related to the Board of Commissions of Public Utilities Final Report **Rate Mitigation Options and Impacts – Muskrat Falls Project**
- Completed industry and stakeholder consultations and finalized the provincial renewable energy plan

Opportunities and Challenges

Business and Economic Development

The last year has brought global challenges across all industries. The COVID-19 pandemic brought many sectors to a halt, severely impacting their financial and economic stability. There is no doubt Newfoundland and Labrador has seen its fair share of these impacts as well. The province is committed to rebuilding, strengthening, and supporting its economic driving industries through these challenging times into a brighter future. IET has been active in administering numerous financial assistance programs across its sectors. Exploration, diversification, and innovation are among the key agents for transforming the local economy and providing residents with the maximum possible benefits. Small and medium-sized businesses were among some of the hardest hit from the global pandemic. COVID-19 relief programs as noted throughout the Report on Performance section of this report were administered across many industries and businesses.

The global COVID-19 pandemic also changed the way the world does business. It provided an opportunity to use technology and virtual platforms to connect. In order to maintain and increase investment in the province, IET pivoted to utilizing virtual platforms to engage global target audiences in priority sectors. Virtual platforms enhanced the department's exposure to global markets and increased networking opportunities. IET exhibited in a number of virtual trade and investment conferences while participating in a considerable amount of virtual networking and webinar events.

Technology

Newfoundland and Labrador's tech sector is booming and is projected to continue to grow in 2021-22. The industry is worth an estimated \$1.6 billion, with approximately 165 companies and 4,000 employees. Demand for new technology related jobs are expected to increase over the next three years. This means more local employment for the people of the province and more businesses succeeding. This past year the province witnessed a record breaking tech sale of \$2.75 billion US, which demonstrates

the tremendous potential for the local industry. Success in our technology sector assists in stimulating the economy and creates countless spin-off benefits.

Mineral Exploration and Mining

The mineral exploration and mining industry in Newfoundland and Labrador was quick to adapt to working with COVID-19. The industry worked closely with public health officials to implement the necessary protocols to operate safely during the pandemic.

Demand for minerals continues to grow globally with an increasing focus on critical minerals driven in large part by their role in the transition to a low-carbon and digitized economy. Metal prices for minerals being mined and explored for in the province are favorable with positive outlooks that will support further exploration and development. The mineral potential of the province is becoming better known by industry as evidenced by the interest in gold exploration and development. The branch is working to deliver on action items identified in **Mining the Future 2030** related to regulatory processes and supporting improvements for effectiveness and efficiency. This combination of factors will provide a window of enhanced support for Newfoundland and Labrador based mineral projects throughout the development cycle.

The challenge for the province is how to facilitate the realization of the full benefit mineral development. There are factors beyond our influence that support mineral projects, including strong metal prices, that aid in revenue growth for existing mines and raising capital to fund exploration. This support is also subject to market disruptors, such as COVID-19, that can have unprecedented effects and can close this window without warning. While favorable conditions exist, more projects will seek permitting approvals that will likely result in an increased peak demand on resources. This comes at a time when significant work is ongoing to provide clear pathways and supports for development that fulfill the required regulatory oversight. IET will continue to respond to challenges and implement actions in **Mining the Future 2030** to support improvements in effectiveness and efficiency.

Mining, mineral exploration and quarrying are strong economic drivers for the province. Almost \$4.2 billion in mineral shipments, \$82.6 million in exploration expenditures, and employment nearing 7,000 person years are projected for 2021. This creates opportunities for local businesses, employment, and aids in the economic recovery of Newfoundland and Labrador.

Renewable Energy

Given that 98 per cent of the province's electricity will come from renewable energy once Muskrat Falls is fully online, electrification of our economy is a key energy policy priority. There is an opportunity to utilize clean energy in various projects across the province. Memorial University campus buildings typically operate 24 hours a day, seven days a week, and have significant loads, making them prime candidates for fuel switching. As such, in 2019-20, IET issued a request for proposals to complete a feasibility study for installation of a primary electrical boiler at Memorial University's St. John's Campus. In 2020-21, the successful bidder for the feasibility study was awarded the contract and an agreement to complete the work was signed in January 2021.

Given the province's abundance of developed and undeveloped renewable energy resources, there is also an opportunity to use these resources to produce green hydrogen for use within the province and/or for export. Additionally, with the province's focus on rate mitigation, financial considerations are an important factor in determining opportunities for the province and IET is continuing its work in this analysis.

Atlantic Clean Power Roadmap

Working with multiple levels of government and regulatory bodies, the Atlantic Clean Power Roadmap provides an opportunity to help build a clean power network across the Atlantic region to produce and use more clean energy, improve transmission networks, better integrate regional markets, strengthen reliability, and help reduce greenhouse gas emissions. These efforts can help advance important economic development opportunities through new renewable energy generation and transmission capabilities thereby providing access to new markets for the province's energy resources.

Oil and Gas

A major focus of **Advance 2030** is to position Newfoundland and Labrador as an internationally preferred location for oil and gas exploration and development. The oil and gas industry continues to face challenges due to the COVID-19 pandemic. Numerous industry stakeholders were forced to halt operations due to the uncertainty and instability of the market, including the inability of rigs to mobilize during pandemic restrictions and lockdowns. Furthermore, it will be important for NL to address regulatory and environmental hurdles that are an impediment to competitiveness.

To help the local oil and gas industry through these challenging times, the province is working with industry partners and collaborating on strategies to move forward initiatives such as the exploration investment incentive that will help the province's oil and gas industry navigate these challenging times.

To compete in a recovering global industry, the oil and gas regulatory environment must be prudent and balanced. With less than ten per cent of the offshore area licensed, the province offers significant opportunity for oil and gas exploration. Our robust seismic program coupled with the new regional assessment process will improve the assessment of offshore exploratory drilling projects, increasing Newfoundland and Labrador's ability to attract global investors. Modernizing the Atlantic Accord Acts will also encourage further activity.

IET supports the 2020 commitment to achieve net zero emissions by 2050. Part of the mandate of the department is to facilitate sustainable development of petroleum resources. Through continuous engagement with industry and government stakeholders, IET will investigate technologies to reduce the carbon footprint in offshore developments as the province transitions to a lower carbon economy.

A significant challenge is to address concerns of currently producing projects in response to changing uncertain economic conditions in light of the pandemic and oil market volatility in a fair and balanced manner. IET has strong technical and industry

experience and is positioned to serve as a liaison to find solutions which will strengthen the industry and position the province for future success.

IET will use the available levers, namely; the Offshore Exploration Incentive, the Emission Reduction Fund, the Oil and Gas Industry Recovery Assistance Fund, the Innovation and Business Development Fund, and regulatory stewardship to reinvigorate and reclaim some of the pre-pandemic momentum in the industry with regards to major projects and industry growth. The Bay du Nord, Terra Nova, and White Rose projects, as well as ongoing and planned exploration, provide many benefits to the province.

There is an opportunity for the department to provide industry with experienced advice to ensure the Emission Fund evaluation process yields the approval of projects which are best in meeting the goals and supporting industry. There is also an opportunity to promote collaboration among the industry participants to find solutions that benefit the industry as a whole. Continued dialogue with operators, service companies, and other jurisdictions with the goal of environmental conservation, resource stewardship, and innovation in mind will be important in supporting the oil and gas sector during COVID-19.

Rate Mitigation

IET will continue to support rate mitigation and will continue to take the opportunity to partner with other government departments and private industry as we all work towards solutions to mitigate potential electricity rate increases.

Financial Statements

Expenditure and revenue figures included below are based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal Year Ended 31 March 2021.

		Estimates		
		Actual (\$)	Amended (\$)	Original (\$)
Executive and Support Services³				
1.1.01	Minister's Office	234,324	286,200	286,200
1.2.01	Executive Support	1,396,677	1,500,500	1,460,500
1.2.02	Corporate & Strategic Services	1,786,866	2,240,000	2,467,000
	Less: Revenue	(7,253)	(86,000)	(86,000)
1.2.03	Administrative Support (Capital)	0	100	100
Total		3,410,614	3,940,800	4,127,800
Mining and Mineral Development				
2.1.01	Geological Survey	3,329,823	3,717,200	3,891,200
	Less: Revenue	0	(250,000)	(250,000)
2.1.02	Mineral Lands	1,460,058	1,501,000	1,500,500
2.1.03	Mineral Development	2,982,051	3,338,500	3,265,000
Total		7,771,932	8,306,700	8,406,700
Energy Development				
3.1.01	Energy Policy	4,011,973	4,267,300	3,602,200
3.1.02	Petroleum Development	1,098,449	1,216,500	1,234,700
3.1.03	Canada/NL Offshore Petroleum Board	11,187,500	11,677,000	11,677,000

		Estimates		
		Actual (\$)	Amended (\$)	Original (\$)
	Less: Revenue	(13,045,762)	(11,677,000)	(11,677,000)
3.1.04	Royalties and Benefits	2,266,045	2,622,600	2,642,600
3.1.05	Innovation and Business Development Fund	10,983,681	15,103,900	6,000,000
	Less: Revenue	(320,000,000)	(6,000,000)	(6,000,000)
3.1.06	Oil and Gas Corporation of Newfoundland and Labrador	25,936,210	26,331,600	26,331,600
3.1.07	Oil and Gas Corporation of Newfoundland and Labrador (Capital)	1,985,100	1,985,100	1,985,100
Total		(275,576,804)	45,527,000	35,796,200
Business and Innovation				
4.1.01	Accelerated Growth	1,596,592	1,954,100	2,294,000
	Less: Revenue	(131,420)	(300,000)	(300,000)
4.1.02	Investment Attraction Fund	674,633	1,100,000	8,000,000
	Less: Revenue	(918,412)	0	0
4.2.01	Business Analysis	1,522,520	2,748,800	2,748,800
4.3.01	Innovation and Business Investment	48,614,732	48,836,000	16,836,000
Total		51,358,645	54,338,900	29,578,800
Industry and Economic Development				
5.1.01	Sector Diversification	3,600,094	4,112,200	2,712,200
	Less: Revenue	(574,233)	(337,800)	(337,800)
5.2.01	Regional Economic and Business Development	3,609,568	4,589,000	4,589,000

		Estimates		
		Actual (\$)	Amended (\$)	Original (\$)
5.3.01	Comprehensive Economic Development	6,272,525	8,460,600	9,960,600
	Less: Revenue	(413,703)	0	0
5.4.01	Sector Research	564,818	669,900	669,900
Total		13,059,069	17,493,900	17,593,900
Total Department		(199,976,544)	129,607,300	95,503,400

¹ In 2020-21, a portion of Executive and Support Services – specifically the Finance & General Operations function – was shared with the Department of Fisheries, Forestry & Agriculture.

Inactive Entities

Muskrat Falls Project Land Use and Expropriation Arbitration Panel

This Panel is a Category 3 public body set up under Section 24 of the **Muskrat Falls Project Land Use and Expropriation Act** and Section 16 of the Muskrat Falls Project Land Use and Expropriation Regulations. The Panel was created to determine compensation for, or related to, an expropriation of land required for the Muskrat Falls Project. This entity was inactive in fiscal 2020-21.

Private Air Access Advisory Committee

Established in August 2011, the Private Industry Air Access Advisory Committee provided advice to the Government of Newfoundland and Labrador on matters related to a 2010 air access strategy, which concluded in 2014-15.

The Provincial Government is currently participating in an Air Access Working Group led by industry, with funding from IET to support the development of an action plan.