

2022-2023 Annual Report

Industry, Energy
and Technology



Newfoundland
&
Labrador

Cover photos:

Geologist Overlooking Kiglapait Layered Intrusion

The Launch, Holyrood

Wind Turbines, Fermeuse (photo credit: Elemental Energy)

Terra Nova



MESSAGE FROM THE MINISTER

As Minister of Industry, Energy, and Technology, I am pleased to submit the department's Annual Report for the 2022-23 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.

In this, the final year of the current three-year planning period from 2020-23, I am proud of our numerous accomplishments. I take great pride in the significant work my department has undertaken in meeting its objectives, all the while working through the unique opportunities and challenges presented by the COVID-19 pandemic, renewable energy and green technology, and the Province's lower upstream carbon oil and gas advantage. I look forward to building on the successes of the department, and embracing the opportunities outlined in the 2023-26 Strategic Plan.

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. Our department also remains focused on many other key industries, such as the province's growing technology sector, mineral exploration and mining opportunities, renewable energy, and responsible oil and gas development.

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.

Sincerely,

A stylized, handwritten signature in black ink, appearing to be the initials 'AP'.

Hon. Andrew Parsons, KC
Minister of Industry, Energy and Technology

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Departmental Overview

Mandate

The Department of Industry, Energy and Technology (IET) is responsible for economic and resource development, business growth and economic diversification. IET works to create and maintain a competitive economy to support investment, trade activity, research and development (R&D); support community and regional economic development; foster innovation and technology transfer as well as 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; energy economics; and develops and monitors regulatory and benefits activities. IET delivers its mandate via five branches: Business and Innovation; Corporate and Strategic Services; Energy Development; Industry and Economic Development; and, Mining and Mineral Development.

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 sector 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, quarrying, mineral exploration and mining; coordinating and facilitating sustainable development and management; developing and supporting regulatory and benefits activities; regulating mineral tenure, mineral exploration, and mineral and quarry 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. acquiring, interpreting and disseminating public geoscience data, completing regulatory required resource assessment work 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, availability of geoscience data, renewable energy resources and regulatory framework. 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, supply chain, and 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.

Staff Breakdown

As of March 31, 2023, IET employed 238 staff. Regional distribution of staff is as follows: Avalon Peninsula - 203; Central East - 16; Central West - 4; Labrador - 4; West Coast/Northern Peninsula - 11.

Office Locations

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.

Budget and Expenditures

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 2023. The original estimates (net) for fiscal year 2022-23 was \$279.64 million. Total expenditures (net) for the department for fiscal year 2022-23 was \$423.08 million. Expenditures (net) by division are as follows:

Division	Expenditures (net)
Minister's Office/Executive Support/Corporate & Strategic Services ¹	\$5,009,722
Geological Survey	\$3,446,956
Mineral Lands	\$1,592,714
Mineral Development	\$2,988,429
Energy Policy	\$4,214,771
Petroleum Development	\$1,206,716
Royalties and Benefits	\$2,437,970
Accelerated Growth	\$1,623,172
Business Analysis	\$1,554,091
Sector Diversification	\$2,580,570
Regional Economic and Business Development	\$3,248,559
Total	\$29,903,670

¹ In 2022-23, a portion of Executive and Support Services – specifically the Finance & General Operations function – was shared with the Department of Fisheries, Forestry & Agriculture.

During the 2022-23 fiscal year, the Department also recorded the following expenditures (net) of \$393.18 million as outlined below:

- \$0.52 million – Canada-Newfoundland & Labrador Offshore Petroleum Board (C-NLOPB)
- \$1.58 million – Investment Attraction Fund
- \$8.77 million – Oil & Gas Corporation of Newfoundland & Labrador (OilCo)

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- \$13.15 million – Comprehensive Economic Development
- \$16.84 million – Innovation & Business Investment
- \$161.92 million – Oil and Gas Industry Support
- \$190.4 million – Energy Initiatives

Refer to the appended excerpt from the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal Year Ended 31 March 2023 for more information on expenditures.

Highlights and Partnerships

Throughout 2022-23, IET advanced a number of initiatives across its broad departmental mandate. In addition to the information in the Report on Performance Section, below are some highlights of work undertaken in 2022-23.

Highlights

Newfoundland and Labrador has an abundance of developed and undeveloped renewable energy resources, as well as experience and expertise in the technology and energy sectors. IET launched and closed a Crown land nomination and bid process for wind energy projects for approximately 1.7 million hectares of land; released a wind-hydrogen fiscal framework; provided a letter of support for the Canada-Germany hydrogen agreement signed in Stephenville, Newfoundland and Labrador; signed a Declaration of Intent with City of Hamburg, Germany on Hydrogen; and released a virtual Renewable Energy Resource Hub. On December 16, 2021, the Provincial Government launched its five year Renewable Energy Plan; Maximizing Our Renewable Future. Since the Plan's release, progress has been made across all focus areas.

On November 2, 2022, the C-NLOPB announced the results of the 2022 Call for Bids for the Eastern Newfoundland and South Eastern Newfoundland Regions. Five successful bids were received for the Eastern Newfoundland Region, totaling \$238,075,321 in work commitments and covering 1,222,907 hectares. No bids were received for the South Newfoundland Region. Both the Federal and Provincial Ministers approved the exploration licences arising from this Call for Bids, which were awarded in January 2023.

The Energy and Mines Ministers' Conference (EMMC) is an annual gathering of federal, provincial and territorial (FPT) Ministers of Energy and Mining to discuss shared priorities for collaborative action to advance energy and mining development across Canada. For the first time since 2009, Newfoundland and Labrador co-hosted the

conference in St. John's, Newfoundland and Labrador in July 2022, with Natural Resources Canada (NRCan).

IET attended the March 2023 NunatuKavut Community Council Energy Forum. The forum's goal was to enhance education and awareness within the renewable and clean energy sector for the benefit of NunatuKavut Inuit and communities.

The department continued to deliver the Mineral Incentive Program. IET provided \$1.7 million in financial assistance to encourage mineral exploration in Newfoundland and Labrador in 2022-2023 and \$5 million over the 2020-23 planning period.

IET advanced various new opportunities presented by the Ocean Supercluster. As of July 12, 2022, 16 projects led by Newfoundland and Labrador organizations received \$43.4 million in Ocean Supercluster funding, with a total project value of \$99.3 million. Newfoundland and Labrador continues to lead a majority of Ocean Supercluster projects announced, equaling over \$110 million in total project value since the Ocean Supercluster's inception. IET invested \$590,000 in Future Ocean and Coastal Infrastructures leveraging over \$4 million in additional funding.

There have been notable venture capital investments in technology companies in the province that have sparked a new energy and interest in the technology sector in Newfoundland and Labrador. In July 2022, Milk Moovement, which is dedicated to improving efficiency in the dairy supply chain, closed on a \$20 million USD Series A funding as it looks to expand its product development team.

Recent investments in the provincial start-up ecosystem are helping to bring new entrepreneurs into the ecosystem and build amazing companies by delivering high-quality business incubation programming, resources and mentoring to technology start-ups. The Genesis Coworking initiative is a membership-based space with both open-concept and private office availability for individuals and small teams alike. Bounce Health Innovation is a leader in the Health Innovation Medtech eco-system engaging

with nearly 50 partner companies at varying stages of development, from seeking venture capital investment to undertaking clinical trials with Living Labs.

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, industry associations, regulatory bodies, Indigenous partners, other governments, educational institutions, labour development entities, and unions are just a few of the partners involved in economic development. IET works collaboratively with Memorial University and College of the North Atlantic (CNA) to advance industry relevant research to grow the economy and advance innovation throughout all sectors. The department continues to collaborate with various government departments and agencies on strategic initiatives and issues that are critical to advancing economic development.

In May 2022, IET along with Memorial University, IBM Canada, and the Government of Canada, launched two new initiatives at Memorial University – the Centre for Analytics, Informatics and Research and the Accelerated Analytics and Machine Learning project. IET is contributing \$1.35 million, with Atlantic Canada Opportunities Agency (ACOA) contributing \$1.4 million and \$16 million in-kind investment of hardware, software and staffing from IBM during a period of four years.

Canadian Prime Minister, Justin Trudeau and German Chancellor Olaf Scholz signed the Canada-Germany Hydrogen Alliance on August 23, 2022 in Stephenville, which highlights the significant potential of Newfoundland and Labrador's wind resources and opportunity to supply the global marketplace with renewable energy. The Alliance commits the two countries to enabling investment in hydrogen projects through policy harmonization, supporting the development of secure hydrogen supply chains, and establishing a transatlantic Canada-Germany supply corridor to export clean Canadian hydrogen.

In September 2022, the Government of Newfoundland and Labrador signed a Joint Declaration of Intent with the Free and Hanseatic City of Hamburg on cooperation in the field of green hydrogen and hydrogen technologies. This five-year agreement aims to encourage the establishment of hydrogen supply chains that will result in exports of green hydrogen from the Province to Germany supports the objectives of the Canada-Germany Hydrogen Alliance.

In March 2023, a five year Memorandum of Understanding was signed between CNA and Memorial University. Work initiated by IET under Mining the Future supported the development of the MOU between MUN and CNA. This agreement is aligned with Canada's Critical Minerals Strategy released by the federal government in late 2022 with a plan to increase the supply of "responsibly sourced" critical minerals and support the domestic and global movement toward a green and digital economy. IET is working collaboratively with CNA and Memorial University to advance opportunities related to emerging critical minerals.

A Co-operative Development Memorandum of Understanding (MOU) between IET and Newfoundland-Labrador Federation of Co-operatives was initiated in 2007, which focused on enhanced development and promotion of the co-operative model to support business growth in rural communities throughout Newfoundland and Labrador. Work has been ongoing to advance co-operative development in the province and to renew the MOU that was announced June 19, 2023.

Report on Performance

Issue One – Mineral Sector Development

In 2022, Newfoundland and Labrador mineral shipments were valued at \$5.2 billion. Mining employment for 2022 was the highest since 2013 generating over 9,000 person years of employment and more than 28,000 mineral claims were staked. Exploration expenditures hit a nine-year high, reaching an estimated \$243 million as Newfoundland and Labrador's mineral industry continues to be a key economic driver for the province. Maintaining exploration activity at enhanced levels increases the likelihood that additional mining projects can be identified. Mineral exploration and mining are carried out in an environmentally sustainable manner and creates much-needed benefits and employment for rural Newfoundland and Labrador. Work in this area is consistent with Government's strategic directions of **A Better Economy** and **A Bright Future**.

Over the planning period, IET advanced **Mining the Future 2030**, including actions to update legislation, providing innovative supports to industry, such as enhancing performance and security of the Mineral Lands Administration Portal (MinLAP), critical mineral initiatives and supports, and the hyperspectral scanning unit project.

Goal

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

Indicators:

- **Updated legislation**

Quarry Materials Act

Government understands the importance of equitable access to quarry materials for industry and worked to advance the development of new quarry legislation that more effectively manages the province's quarry resources and supports equal business

opportunities for all. Following completion of public and stakeholder consultations, a [What We Heard](#) document was released in 2021-22, and the department advanced the required research and analysis to inform the development of new quarry legislation. The legislation has not been finalized in the originally envisioned timeframe as the analysis and drafting process has taken longer than anticipated. Work remains ongoing.

New quarry legislation will support the development of the province's quarry resources in consideration of the environmental, social and economic impact of quarries.

Mineral Act and Mining Act

As part of **Mining the Future 2030**, an internal team has been established to modernize the **Mineral Act** (1976), the **Mining Act** (1999). An implementation plan has been prepared, and work required to modernize the **Mineral Act** and **Mining Act** is progressing. Public consultations were held in the fall of 2022 and a [What We Heard](#) document was released in February 2023. Similar legislation and regulations from other Canadian jurisdictions have been reviewed and policy gaps that exist in the province's current regulatory framework were identified. These efforts will inform next steps including determining policy objectives and the drafting of new legislation.

- **Enhanced global promotion of the sector in support of increased exploration and development**

IET created new and modernized existing promotional materials to support social media campaigns, webinars, and virtual booth formats during the covid-19 pandemic. This adaption supported the mineral exploration and mining sector's virtual presence at investment trade shows, conferences, and other digital platforms, as well as supported investment attraction efforts. IET attended three mineral exploration and mining sector virtual investment trade shows and one virtual conference during the 2020-21 fiscal year.

With a newly designed mining booth (Newfoundland and Labrador Pavilion) and following the lifting of travel restrictions, IET reestablished a strong physical presence in

the mining Trade Show Circuit to enhance promotion of the sector and identify new opportunities. IET attended two virtual, and one in-person conferences/ trade shows during the 2021-22 fiscal year, and five in-person shows during the 2022-23 fiscal year, as most events transitioned back to in-person formats. IET also participated in local career fairs and other outreach initiatives.

IET continued to improve its website to provide better access to information and services to encourage and facilitate exploration and investment into the mineral resources sector. IET also updated and developed promotional material for investment attraction purposes. Modernized publications are found on the [Invest in Mining and Mineral Development](#) webpage on the IET website.

- **Provided innovation supports to industry**

MinLAP was implemented in 2020 as a tool to support industry by providing a system for clients to submit applications for new mineral licences and maintain existing mineral licences. The department collaborated with the Office of the Chief Information Officer (OCIO) to enhance performance and security measures of the MinLAP system. The mineral exploration industry expanded in the province beginning in 2020 and momentum carried through to 2021, which resulted in record numbers of claim staking and subsequent mineral licence issuances. Exploration activity remains at a heightened level, but appeared to plateau in 2022. MinLAP is relied upon by the mineral exploration and mining industry and the department to maintain mineral tenure and in the collection of related revenue.

- **Initiated the development of a Labrador specific geoscience strategy**

A Labrador-specific geoscience program has been created as part of **Mining the Future 2030**. Budget 2023 includes almost \$1 million to address a Labrador-specific geoscience program, which includes required funding to work in remote areas. Detailed integrated geoscience information—bedrock and surficial deposit mapping, geochronology, geochemistry, and geophysics and other remote sensing data—is the

foundation for exploration and mineral development in Labrador. In order to support ongoing public geoscience, and subsequent new private sector exploration investment, the primary objective of this program is to acquire, process, and make publicly available base-line geoscience information, including fundamental bedrock mapping, mineral potential mapping, and prospectivity reports.

- **Increased use of technology e.g. airborne geophysics to enhance detection of new deposits**

In 2022-23, IET entered into an agreement with ACOA to provide \$1.3 million in funding over two years to support an airborne geophysical survey program to help identify areas in the province for potential critical mineral exploration. The surveys will capture data remotely from areas where the bedrock geology is not well understood due to poor bedrock exposure.

In addition, the hyperspectral scanning unit project is one of the most technologically advanced in the world and will undertake applied research on the use of hyperspectral imaging with an initial focus on Newfoundland and Labrador's extractive industry sector. The project is a collaboration led by CNA, and funded by ACOA via its Regional Economic Growth through Innovation (REGI) program, the Government of Newfoundland and Labrador, and by industry partners Iron Ore Company of Canada, and Agnico Eagle Mines.

- **Increased resources to support gender equity and diversity**

Over the planning period, IET advanced outreach activities to increase gender equity and diversity awareness within the minerals sector in Newfoundland and Labrador such as 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. IET hosts a Women in Mining one-day session in conjunction with the annual Minerals Resources Review Conference. Promotional material regarding careers

in mining are available at events and Gender Equity, Diversity and Inclusion Plans continue to be required for all large-scale natural resource projects.

At the Mineral Resources Review in November 2022, the intention to create a Resources Advisory Committee was announced, “to ensure meaningful steps were taken to support people of all genders working in resource industries, ensuring that equitable and inclusive growth opportunities are created.”

- **Aligned departmental programs to support the exploration and development of critical minerals**

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. 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 two federal programs: the Targeted Geoscience Initiative which has a strong emphasis on critical minerals, and the Geo-Mapping for Energy and Minerals program, which focuses on critical mineral potential of Canada's North; 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.

In November 2022, IET announced that it is developing a Critical Minerals Strategy, with public consultations ongoing toward the development of this strategy. In December 2022, IET entered into an agreement with ACOA to expand the support provided by the Junior Exploration Assistance (JEA) Program through the Critical Minerals Assistance Program (CMAP) by providing an additional \$1.3 million annually for three years. This ACOA funding will match IET's \$1.3 million in annual funding to double the financial support available through the enhanced JEA program.

- **Increased dissemination of digital geoscience data**

The Geological Survey of Newfoundland and Labrador continues work to map the geological framework of the province, documenting geological resources and mineral deposits. One of the many reports and maps published in 2022-23 include publication of an airborne geophysical survey from early 2022. This geophysical survey flown over the lower Burin Peninsula helps delineate faults and other structural features, which could refine understanding of mineralization and prospectivity in the region. Products from the Geological Survey are available to clients via the [Geological Survey of Newfoundland Geoscience Atlas Online](#) and the [IET website](#). Recent results including annual publication and the August 2022 announcement of the results of geophysical survey of Burin Peninsula and can be found [here](#).

The number of unique visitors to the On-Line Geoscience Atlas from October 2019 to October 2021 increased by 20 per cent (from 7,500 to 9,000) and the number of sessions increased by 17 per cent (from >37,200 to >43,600).

2022-23 Objective:

By March 31, 2023, the Department of Industry, Energy and Technology will have implemented concrete actions to support sector growth.

Indicators:

- **Developed new quarry legislation**

In 2019, IET initiated a comprehensive review of the **Quarry Materials Act, 1998**. The goal of the new legislation is to improve the regulatory framework to be more consistent with other jurisdictions and enhance efficiency, transparency and fairness in the management and regulation of quarry resources. New legislation is being drafted based on consultations with stakeholders, including feedback from industry, municipalities, indigenous groups and the general public. IET analyzed identified issues raised, and has continued with the development of new quarry legislation. The legislation has not

been finalized in the originally envisioned timeframe as the analysis and drafting process has taken longer than anticipated. Work remains ongoing.

- **Initiated a review of the Mineral Act and Mining Act**

In September 2022, IET announced a review of the **Mineral Act** and **Mining Act**, and completed a series of in-person and virtual consultation sessions. IET also invited input through written submissions. An Action Team was formed internally and work is progressing. A [What We Heard](#) document was released February 2023, with work progressing, including determining policy objectives and the drafting of new legislation.

- **Continued implementation of Mining the Future 2030**

The action items in **Mining the Future 2030** continued to be implemented, with an Implementation Report currently being drafted to report on immediate and mid-term actions. Work to develop a new **Quarry Resources Act** and review the **Mineral Act** and **Mining Act** to guide any legislative changes progressed throughout the reporting period. An Independent Geoscience Technical Advisory Committee was established and held its first meeting in March 2022. IET continues promoting Newfoundland and Labrador globally as a favorable exploration destination and for investment by attending trade shows and promoting the province. The hyperspectral scanning project continues.

- **Completed the hyperspectral scanning project**

The Hyperspectral Scanning Unit (HSU) project is a collaboration – led by, and funded by ACOA, the Government of Newfoundland and Labrador, and by industry partners Iron Ore Company of Canada, and Agnico Eagle Mines.

This unit, which is one of the most technologically advanced in the world, is undertaking applied research on the use of hyperspectral imaging with an initial focus on Newfoundland and Labrador's extractive industry sector. The technology will generate specialized imagery and create geoscience data in support of future mineral exploration activity. Scanning continued through 2022-23 with more than 150,000 metres of drill

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core scanned. Scanning was completed at the facilities in Pasadena and Goose Bay, and scanning started in the fall of 2022 in Buchans. CNA also published the initial tranche of scanning data from 452 drill holes on their website. The project is on track to be completed by its project end date of March 2024.

Issue Two – Responsible Oil and Gas Development

During the global transition to a net zero economy, as the world transitions from hydrocarbons to renewable energy sources, it will continue to require non-renewable energy sources such as oil and gas.

Newfoundland and Labrador's offshore oil and gas sector is a major contributor to the provincial economy. Newfoundland and Labrador has made significant progress in positioning the oil and gas sector to meet the world's energy needs during the energy transition, while taking steps to decrease the carbon intensity of the sector by participating in projects, initiatives and groups focused on decreasing carbon sector emissions.

During the 2020-23 planning period, the oil and gas industry experienced many challenges - the pandemic; the global collapse of oil prices; and the war in Ukraine. IET quickly responded with initiatives to support the recovery of the industry including the establishment of the Newfoundland and Labrador Oil and Gas Industry Recovery Task Force (Task Force) as well as the development and delivery of the Offshore Oil and Gas Industry Recovery Assistance Fund (OGIRA) and the Offshore Exploration Initiative (OEI) program. Progress in these areas is consistent with the strategic directions of Government, **A Bright Future** and **A Better Economy**.

Goal

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

Indicators:

- **Advanced provincial priorities to encourage accelerated development**

The unprecedented challenges faced by the oil and gas industry during the reporting period directly impacted exploration and development plans globally. To incentivize and

accelerate development, in 2021 IET developed and delivered the OEI, which is aimed at increased drilling of exploration wells in the Canada-Newfoundland and Labrador Offshore Area.

In 2020, the Federal Government provided \$320 million to the Province to help support the recovery of the oil and gas industry. The Task Force was asked to provide recommendations on the strategic utilization of the funds, as well as on eligibility parameters and prioritization criteria for delivery of the funding. Based on Task Force recommendations, a two-stream approach was taken as follows:

- Stream 1 (Project Operators - \$284.5 million): provided to project operators in response to the submission of a funding proposal. Funding agreements were entered into with three project operators: Cenovus White Rose Project (\$41.5 million), HMDC Hibernia Project (\$38.0 million), and Suncor Terra Nova Project (\$205.0 million).
- Stream 2 (Supply and Service Sector - \$35.5 million): provided to applicants in response to a Government issued time-limited Call for Proposals. IET entered into agreements for 26 supply and service projects, totaling approximately \$35.5 million.
- **Increased industry promotion of environmental, social, and governance performance**

The consideration of environmental, social and governance issues are becoming progressively more important. The Department supported locally sourced work in the Oil and Gas Supply Chain; supported companies and organizations in their participation in renewable and non-renewable conferences and exhibitions, prepared new marketing and outreach materials to promote the transition to net zero, and supported the regulatory certainty and stability of the region, including efforts of the C-NLOPB which regulates the oil and gas industry offshore Newfoundland and Labrador on behalf of the Governments of Canada and Newfoundland and Labrador.

- **Supported increased use of technology to decrease the carbon intensity of the sector**

The industry focuses on continuous improvement to meet out net zero goals. The Net Zero Project (NZZ) is a collaboration between econext, Energy NL and OilCo. The project was initiated in late 2021 and was funded \$1,041,264 through OGIRA and the Federal Emissions Reduction Fund (ERF) with portions of the project also supported by ACOA. The NZZ supports the development of clean growth strategies and projects in priority areas of Canada's net zero journey as they relate to its offshore energy industry: carbon capture, utilization, and storage; electrification and renewable energy; and hydrogen. The NZZ undertook several activities throughout 2022-2023 including research reports, investment attraction, supply chain support and stakeholder engagement. In September 2022, IET attended the 2022 Newfoundland and Labrador carbon capture utilization and storage (CCUS) Workshop, hosted by the NZZ. The OGIRA funding for the Net Zero Project concluded in February 28, 2023, with the project continuing with support from the Innovation and Business Development Fund (IBDF).

In summer 2022, the Federal Government launched Phase 1 of the Regional Energy and Resource Tables (RERT) initiative, which enable all regions to seize the economic opportunities provided by the energy transition, and includes a Newfoundland and Labrador Table. The Newfoundland and Labrador Table has identified four work streams including wind and hydrogen, electrification, CCUS, and critical minerals and have identified potential actions to help realize clean growth opportunities.

- **Worked with the federal government to identify and encourage regulatory changes that increase competitiveness**

New comprehensive **Canada-Newfoundland and Labrador Offshore Area Occupational Health and Safety Regulations** were published in December 2021.

Throughout 2022-23, federal and provincial officials worked together on amendments to the Accord Acts to enable offshore renewable energy regulation as well as other

legislative matters to enhance the competitiveness of the offshore petroleum land tenure system and support high standards for environmental protection, and resource management in the offshore area. Some of the amendments include: update the definition of a Significant Discovery License; limiting its duration to 25 years; enabling the C-NLOPB to revoke or cancel Exploration Licenses without an Oil and Gas Committee hearing; provide regulation-making authority prohibiting petroleum activities in marine protected or conservation areas; and allowing the sharing of information between offshore regulators (e.g., with the C-NSOPB, or France's regulator) where there is a transboundary hydrocarbon field.

Work is ongoing on 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.

- **Identification and implementation of the advancements necessary in the provincial sector to remain competitive in the global oil and gas industry**

On September 25, 2020, the province signed an agreement with the Federal Government for \$320 million to support direct and indirect employment in the Newfoundland and Labrador oil and gas sector as well as activities that generate environmental or co-benefits. With this funding, IET established OGIRA, with the goal of maximizing employment for Newfoundland and Labrador residents and supporting the recovery of the Newfoundland and Labrador offshore oil and gas industry. The OGIRA funding recipients continued to progress their projects throughout 2022-23. Suncor's OGIRA project to support a return to production of the Terra Nova FPSO is nearing completion. A number of service and supply sector projects are completed with the remaining projects scheduled to be completed next fiscal. The IBDF is focused on investments to grow and diversify Newfoundland and Labrador's oil and gas supply and service capabilities. In 2022-23, more than \$ 8.5 million was awarded through the IBDF to support three projects, which leveraged an additional \$ 15 million in investment in the local oil and gas sector.

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Various initiatives to support and incentivize offshore exploration drilling companies were developed in collaboration with the C-NLOPB. 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.

Throughout the planning period, IET continued to administer the OEI Program, engaged with interested companies, and responded to inquiries. In December 2021, IET announced a Program extension to allow qualified operators an additional year to drill. Each application is subject to a technical analysis to ensure they meet program requirements, including targeting distinct geological structures. IET approved two applications from ExxonMobil to support the drilling of exploration wells in offshore Eastern Newfoundland in 2022 and 2023.

2022-23 Objective:

By March 31, 2023, the Department of Industry, Energy and Technology will have supported responsible development of the offshore oil and gas resources in the province.

Indicators:

- **Concluded development of a natural gas royalty framework**

Work on the natural gas royalty framework is progressing but was not concluded by the end of the reporting period. IET undertook a review of offshore natural gas royalty regime options to help support exploration and development activities while ensuring a fair value return to the province for access to and commercialization of such resources. Van Meurs Energy was contracted in August 2022 to provide independent expertise, advice and analysis to help inform the Province on natural gas royalty options, a policy framework and related considerations. The consultant report has been submitted to IET and has been used to inform the development of a draft fiscal framework for

consultation with industry stakeholders. Concurrent to the development of the natural gas royalty framework, the Department developed and released the Wind-Hydrogen Fiscal Framework to support the Province's Crown Lands call for bids and the development of this emerging industry.

- **Continued administration of the Offshore Exploration Initiative program to support the Oil and Gas Sector**

IET approved two applications from ExxonMobil to support the drilling of exploration wells in offshore Eastern Newfoundland in 2022 and 2023. ExxonMobil was approved for \$30 million under the OEI to drill the Hampden K-41 well. ExxonMobil's Gale N-66 well is the second well to qualify under the OEI and is set to be drilled during 2023 drilling campaign.

- **Advanced regulatory modernization initiatives to increase competitiveness**

Provincial and federal officials worked to amend the Accord Acts throughout 2022-23. This will enable offshore renewable energy regulation as well as other legislative matters to enhance the competitiveness of the offshore petroleum land tenure system and support high standards for environmental protection, and resource management in the offshore area. Some of the amendments include updating the definition of a Significant Discovery License; limiting its duration to 25 years; enabling the C-NLOPB to revoke or cancel Exploration Licenses without an Oil and Gas Committee hearing; providing regulation-making authority prohibiting petroleum activities in marine protected or conservation areas; and allowing the sharing of information between offshore regulators (e.g., with the C-NSOPB, or France's regulator) where there is a transboundary hydrocarbon field.

Ongoing Frontier and Offshore Regulatory Renewal Initiative (FORRI) is a federal-provincial partnership working to modernize the regulatory framework in the Canada-NL Offshore Area.

- **Supported increased use of technology, innovation and other initiatives to decrease sector carbon emissions**

IET participated in the Task Force Energy Transition Working Group (ETWG), which held meetings throughout 2022-23. The meetings included open discussion and information sharing among industry and government members informed by in-depth presentations from experts in the focus areas of digitalization, electrification, carbon capture and storage, and the hydrogen economy.

Issue Three – Technology and the Innovation Ecosystem

According to techNL, the province’s tech sector is made up of approximately 600 companies and 8,000 employees, and demand is expected to exceed 2,000 new tech jobs over the next three years. The province’s technology sector is rapidly advancing and is increasingly gaining international recognition and can be a growing source of international trade. The Genesis Centre at Memorial University, which IET supports, is the only Canadian incubator to be recognized by University Business Incubators (UBI) Global as a “Top Challenger – North America”, a designation that recognizes Genesis as high achiever relative to its regional peers.

IET invested in innovation, research and development and commercialization through administering a variety of programs to diversify and expand technology sector. IET works proactively with industry to accelerate growth opportunities in the Technology Sector. For example in the ocean tech industry, Kraken Robotics’ floor mapping hardware and software can be used for offshore energy installations and to find unexploded ordinance for military applications. Virtual Marine and GRi Simulations are world leaders in above and below-water simulation tools, allowing governments and companies to predict how maritime equipment will act in various situations without harming prototypes. These efforts demonstrate progress in Government’s strategic directions of **A Better Economy** and **A Bright Future**.

Goal

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

Indicators:

- **Invested in innovation, research and development, and commercialization initiatives**

From the planning period of 2020-2023, 163 R&D projects (commercial and non-commercial) were approved for \$38.2 million in funding. These investments were made

in various sectors, to advance partnerships and to collaborate on innovation activities throughout the province. These investments leveraged over \$121 million from partners to support R&D and innovation. The breakdown of non-commercial and commercial investments was:

- 87 projects were approved for \$20.26 million through R&D non-commercial, leveraging \$75 million in partnership funding.
 - 76 projects were approved for \$17.98 million through R&D commercial, leveraging \$46.5 in partnership funding.
- **Supported partnership initiatives between government, industry and academia**

Over the planning period, IET supported organizations and programs in the innovation ecosystem to assist new entrepreneurs strategically build their businesses more efficiently and effectively.

In October 2022, the Genesis Centre celebrated 25 years of supporting startup companies in Newfoundland and Labrador. Genesis companies have collectively created 2,500+ jobs, generated more than \$250 million in annual revenues, and raised over \$680 million in private capital. Much of this has been made possible through the support provided by IET.

From an initial intake of 20 students, the Memorial Centre for Entrepreneurship (MCE) now provides programming annually to over 300 students interested in entrepreneurship. More than 85 startup ideas with high-growth potential are pitched to the MCE annually and the Centre has helped produced massively successful companies like CoLab, PragmaClin and Breathsuite. IET has provided key support to this initiative. 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 has continued to support incubators and accelerators such as MCE, Genesis, Bounce, Propel, the Student Design Hub, and Navigate. As an example, Bounce Partner Companies have received over \$17 million in private and public funding and have created over 230 jobs to date.

IET continued to enhance the partnership with the CNA as well to strengthen partnerships with industry to provide programming in order to foster and enhance entrepreneurship and innovation in the region.

IET continued to work with the various Indigenous groups throughout the province, to advance projects under departmental programs. These supports directly impacted Indigenous business development through activities such as capacity building, business counseling and market development activities.

- **Supported and accelerated the growth of innovation and technology**

IET worked with partners to enhance productivity and competitiveness with investments in technology adoption, innovation activities and tech talent initiatives. IET also assisted techNL to further implement its Business Technology Solutions program, which has supported over 300 companies in adopting new technologies.

To encourage innovation with youth, IET has provided an investment to Brilliant Labs Newfoundland and Labrador to expand its work in developing science, technology, engineering, and math skills. Through its Research Inspired Student Enrichment Awards program, IET supported 15 students to participate in science and technology enrichment programs internationally.

On December 19, 2022, \$9.6 million in joint federal and provincial funding was announced to establish an Innovation Centre for Remote Operations. This new dynamic space will serve as a hub for some of the province's greatest homegrown technology talent, capabilities and companies. IET is providing \$7.1 million over six years through the IBDF. The Government of Canada, through ACOA, is contributing \$2.5 million over the next three years. The Innovation Centre for Remote Operations initiative is led by

techNL, in partnership with Energy NL, Canada's Ocean Supercluster and Energy Research and Innovation Newfoundland and Labrador, with support from many other companies and organizations.

In November 2022, to help Newfoundland and Labrador businesses access the top talent they need, and to further equip students and recent graduates with the skills required to secure good jobs after graduation, IET announced a continued collaboration with Mitacs through a \$2 million partnership over the next two years.

- **Supported businesses and industry pursuing international trade and investment opportunities**

In response to the global pandemic 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.

IET transitioned back to supporting in-market activities and has attended numerous trade shows, trade missions, and training mission's education in targeted industries and markets such as Atlanta Georgia, the International Builder's Show in Las Vegas, and clean technology in the Bahamas. In February 2023, IET participated in Oceanology International Americas.

IET continued to support the internationalization efforts of local firms. In November 2022, ClearRisk received \$98,000 in non-repayable funding from the department's Business Development Support Program (BDSP) to assist the company with increased international marketing activities. As well, information technology and electronics firm Compusult Limited is further diversifying its presence, while growing its existing market share in the United States, with support through a non-repayable grant of \$149,000 from the BDSP.

IET supported investment opportunities by promoting the province as a global destination of choice. IET participated in and promoted the province in the oil and gas, mining and renewable energy sectors, including the Prospectors & Developers Association Convention in Toronto, the Offshore Technology Conference in Houston, Texas and the World Hydrogen Summit in Rotterdam, Netherlands. IET is also represented on the Atlantic Trade and Investment Growth Agreement (ATIGA) Atlantic Foreign Direct Investment Team, which has developed and implemented the Atlantic Canada Site Certification Program.

2022-23 Objective:

By March 31, 2023, the Department of Industry, Energy and Technology will have strengthened the technology sector and innovation ecosystem through various initiatives and projects.

Indicators:

- **Assisted local companies with growth plans focused on innovation, R&D and the development and adoption of new technologies**

During 2022-23, 42 R&D projects (commercial and non-commercial) were approved for \$9,589,649 in funding. These investments were made in various sectors, to advance partnerships and to collaborate on innovation activities throughout the province. These investments leveraged over \$37 million from partners to support R&D and innovation.

The breakdown of non-commercial and commercial investments was:

- 29 projects were approved for \$6,008,055 through R&D non-commercial, leveraging \$18,692,136 in partnership funding.
 - 13 projects were approved for \$3,581,594 through R&D commercial, leveraging \$19,018,469 in partnership funding.
- **Developed NL2030 – a Research and Innovation Roadmap for Newfoundland and Labrador**

The NL2030 roadmap will target growing an innovation economy. IET issued an RFP in July 2022 seeking professional services to inform a roadmap to promote and grow research and innovation activity in the province. The scope of work includes: a jurisdictional scan of global trends and best practices related to research and innovation; key informant discussions; and a report of findings. The contract was awarded to the successful RFP proponent, a final report has been provided and work is ongoing. The Roadmap will be finalized in 2023-24.

- **Continued investment for the tech sector and start-up community including strategic investments in programs and accelerators to advance early stage companies**

In December 2022, IET and ACOA approved funding for techNL to advance an Innovation Centre for Remote Operations project with ecosystem partners: the Ocean Supercluster, Energy NL, and Energy Research and Innovation NL. The establishment of an Innovation Centre for Remote Operations will build on exceptional levels of innovation, diversification, and collaboration. Multiple sectors and communities in the province will benefit including oil and gas, technology, energy, healthcare, mining, ocean, aquaculture, and fisheries. This Innovation Centre will foster collaboration and technology growth to accelerate the development of the innovation-driven economy in Newfoundland and Labrador. IET has worked to advance the Technology Sector in 2022-2023 by supporting techNL further implement its Business Technology Solutions program which has supported over 300 companies adopt new technologies.

- **Supported the renewable energy technology and clean technology sectors by advancing action items in the Renewable Energy Plan**

By advancing action items in the Renewable Energy Plan there has been significant research completed in decarbonizing transportation, space heating and industrial processes; wind-powered green hydrogen production and export opportunities; and green energy jobs in Newfoundland and Labrador and globally. IET has released the Renewable Energy Resources Hub to highlight the province's renewable energy and

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allow government, industry, and the public to better understand our province's wind, hydro, biomass, and solar resources. IET has continued to engage Indigenous Governments and Organizations on renewable energy priorities, including via working group meetings and consultations during both stages of the wind energy process. IET has attended and promoted renewable energy resources at conferences and events locally, nationally and internationally such as the econext 2022, the Energy NL Annual Conference & Exhibition, the NunatuKavut Energy Forum, Smart Energy Event, the February 2023 Belgium-Atlantic Canada Roundtable on Offshore Wind, 2 Wind Energy Hamburg and a trade delegation to the Netherlands.

IET has provided client advice and funding support for multiple businesses and organizations as they develop innovative solutions to reduce GHG emissions and decrease environmental impacts. Support has been provided to firms and organizations addressing clean technology innovation in the offshore oil and gas industry, home and business solutions for energy efficiencies, SME renewable energy deployments, waste management solutions and youth initiatives supporting education and careers that tackle opportunities for climate change innovation.

Issue Four – Business Growth and Regional Economic Development

IET continued to support business growth and regional economic development in collaboration with its community partners, the federal government and other stakeholders. IET delivered programming through its Regional Development Fund, as well developed and implemented key sector strategies. This is in line with Government's overall strategic directions of **A Bright Future** and **A Better Economy**. With the onset of COVID-19 in 2020 and the resulting impacts, many companies faced new challenges related to capital initiatives and marketing plans. To support companies, IET modified its programs on a temporary basis by financing project costs at 75 per cent instead of the normal 50 per cent generally required under established programs. IET delivered multiple emergency COVID-relief support programs for businesses, tourism operators and community organizations, including three rounds of the Tourism and Hospitality Support Program (THSP) and two rounds of the Small Business Assistance Program (SBAP). Since 2020, approximately 8,500 applications have been processed under THSP and SBAP for a total contribution amount of over \$50 million.

Connectivity in the province is an on-going issue and concern for many residents. Given the province's extensive geography, population density and the high cost of investing in infrastructure in rural and remote regions, it is imperative that the federal government contribute a significant portion of the cost of upgrading to higher speed. In March 2022, IET released a Connectivity Strategy for Newfoundland and Labrador, building on a \$136 million collaboration between the governments of Canada and Newfoundland and Labrador.

Goal

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

Indicators:

- **Invested in regional and sector development by supporting business development and providing access to capital**

The Provincial Government has made considerable Venture Capital investments to strengthen the startup ecosystem in Newfoundland and Labrador, including \$10 million in Venture Newfoundland and Labrador Limited Partnership I, \$13 million in Venture Newfoundland and Labrador Limited Partnership II, both managed by VC Pelorus, and \$750,000 investment in Sandpiper Ventures. The investment ideology of these funds focuses on companies that require pre-seed and early stage funding.

- **Supported regional economic development initiatives led by municipalities, industry organizations, social enterprises and co-operatives, and other not-for-profit groups**

The Department's Regional Development Fund provides support by way of non-repayable contributions to organizations for the development and implementation of economic initiatives with respect to regional and sectoral development, diversification, innovation, and key emerging sectors. Projects submitted for consideration must clearly link non-commercial activities to economic diversification and/or business development. The four key themes of projects intended for funding are: infrastructure; capacity building; marketing; and, research. IET has provided \$19,014,634 with 195 projects approved leveraging more than \$80 million over the planning period of 2020-23.

IET provided funding for industry associations to continue collaborative activities to support sector development including supported the Craft Council and partners in developing 2023 Craft Industry, supported the Manufacturing Productivity project with Canadian Manufacturers and Exporters (CME), and facilitated an ocean tech stakeholder meeting to develop a sector work plan. The department also supports the Economic Developers Association of Newfoundland and Labrador—a province-wide organization that has almost 100 members representing economic developers in municipalities, non-profits, social enterprises and a variety of economic development organizations.

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In 2022-23, \$200,000 was approved under Regional Development Fund for the Newfoundland and Labrador Indigenous Tourism Association marketing and professional development plan.

- **Provided support, and helped companies to start, innovate, scale and grow sales in local, national and international markets through continued implementation of the Business Innovation Agenda**

IET provides funding to local companies through programs such as the Business Development Support Program (BDSP) and Business Investment Program (BIP). During 2022-23, through the BDSP, 179 projects were approved for \$3,206,337, leveraging \$4,005,445 in partnership funding. Over the 2020-23 planning period a total of 445 projects were approved for almost \$15 million and leveraging \$15.4 million.

During 2022-23, through the BIP, 15 projects were approved for \$1,893,962 leveraging \$2,397,773 in partnership funding. Over the planning period, 37 projects were approved, totaling \$4.2 million and leveraging \$6.1 million.

- **Supported trade diversification and the promotion of opportunities for our province flowing from free trade agreements**

The Europe Market Development Program (EMDP) and the Asia Market Development Program (AMDP) are market access initiatives started in 2020 and 2021 respectively. They are advisory and consultation programs designed to help experienced exporters to expand their presence and grow sales in multiple sectors in Europe and Asia. In 2023, the EMDP and the AMDP merged into one program, the Market Entry Development Program (MEDP). Professionally guided strategies provided by in-market consultants help these companies leverage new opportunities offered under the Comprehensive Economic and Trade Agreement (CETA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Canada-Korea Free Trade Agreement. During the 2020-23 planning period, three Newfoundland and Labrador firms participated in the AMDP; two firms participated in the EMDP; and three firms participated in the MEDP. The companies participating in these long-term strategically

focused market development programs, had outcomes that included sales and distribution, reseller or other collaborative arrangements and partnerships.

- **Collaborated with federal and pan-Atlantic provincial governments to grow exports and boost foreign investment in the province through continued implementation of the Atlantic Trade and Investment Growth Agreement.**

In July 2016, the federal government, through ACOA, and the four Atlantic provincial governments launched the Atlantic Trade and Investment Growth Strategy (ATIGS) to grow exports and boost foreign investment in the region. To support the ATIGS, governments invested \$20 million through an ATIGA. A total of 120 trade and investment projects have been funded since 2017. In March 2021, more than 60 Newfoundland and Labrador business and industry representatives from across numerous sectors participated in three virtual trade sessions that provided tools, in-depth knowledge, and robust understanding of the best practices needed to thrive in an increasingly virtual world. As well, the **Grow Export Program** was a \$1.3 million investment (over three cohorts) to help build export capacity among Atlantic Canadian SMEs, including 25 Newfoundland and Labrador companies. The 2018 Grow Export participant Newfoundland Salt Company was awarded Outstanding Exporter in the 2022 Craft Awards hosted by the Craft Alliance.

Federal and provincial officials worked to refresh the ATIGS and the ATIGA for a new five year term that commenced April 1, 2022. This enables the Province to leverage a share of \$19 million in funding for pan-Atlantic international business development and foreign direct investment projects, enables the Province to participate in an increased number and broader range of projects in more diverse markets that would otherwise not be affordable, and contributes to increased coordination and collaboration across Atlantic Canada and the federal government.

- **Continued implementation of the Social Enterprise Action Plan**

Under the Social Enterprise Action Plan, IET continues to work collaboratively with key organizations and stakeholders to advance social enterprise development in Newfoundland and Labrador. Social enterprises successfully operate in all regions of

the province, and in multiple sectors, helping create employment and community economic development initiatives, reduce poverty and address the social determinants of health, and develop entrepreneurial skills.

In 2022-23 IET and the Department of Children, Seniors and Social Development (CSSD) continued to work collaboratively to establish a series of recommendations regarding the plan for a social incubator and accelerator in the province, as committed in both Minister's mandate letters. The mutual goal is to develop the social infrastructure that will allow local community organizations to grow and to maximize the social and economic impacts of their efforts across the province.

IET approved \$465,000 in funding to Choices for Youth toward the development of a Social Enterprise Hub to house their current successful social enterprises and to provide advice and support to other social enterprise start-ups. The IET investment leveraged more than \$4 million from other funding partners. IET provided \$100,000 in Partnership Funding to the Newfoundland and Labrador Federation of Cooperatives to continue supporting the development of cooperatives in the province. IET continued to support the Memorial University Centre for Social Enterprise's "Phase II" activities and programming over a two-year period.

- **Attracted investment to the province**

In 2022-23, IET created an Investment Attraction Division with a dedicated Director and staff. This team of professionals will undertake proactive investment attraction efforts across high growth sectors for Newfoundland and Labrador. IET will identify and pursue opportunities for investment attraction. IET is also represented on the ATIGA Atlantic Foreign Direct Investment (FDI) Team.

IET has promoted the province as a global destination of choice by attending and promoting the province in the oil and gas, mining and renewable energy sectors, including the Prospectors & Developers Association Convention in Toronto, Offshore Technology Conference in Houston, Texas and the World Hydrogen Summit in Rotterdam, Netherlands.

IET's participation in ATIGA has resulted in the development and implementation of the Atlantic Canada Site Certification Program. To respond to land-owner feedback and increase the number of certified sites a consultant was retained in September 2022 to assist in the research and development of new certification categories and potential changes to the minimum certification criteria. Recommended changes will allow the program to be able to certify more properties throughout Atlantic Canada.

In 2022, a marketing agency was retained to promote Atlantic4 (Force4) assets and Atlantic Canada's Certified Sites to promote the Atlantic Canadian value propositions to site selectors and investors in targeted markets around the globe.

In the fall of 2022, a world-leading FDI site selector firm was retained to develop and implement a targeted site selector campaign. The campaign identified site selectors throughout North America and Europe who had potential clients seeking investment opportunities in the Oceans, Cybersecurity, and Aerospace and Defence sectors. A lead generator was also hired to implement the Atlantic Lead Generation Initiative, designed to identify, qualify, and advance foreign direct investment leads within the Oceans, Aerospace & Defence (A&D) and Cyber-security sectors for the four Atlantic Canadian provinces.

- **Continued support for collaborative work of Regional Trade Networks**

The Regional Trade Network (RTN) saw trade and export development stakeholders collaborate to align, coordinate and improve support for firms, pursuing international business. The RTN met to share information, identify gaps and opportunities, and to improve collaboration among resource and support providers.

During the planning period, the RTN discussed common interests and priorities among network members in order to strengthen collective positions nationally and internationally and help leverage initiatives. There were discussions about developing long-term activities in key markets; improving the capacity of Newfoundland and Labrador companies to secure business abroad; and, how to continue building an effective RTN. COVID-19 impacted the formal meetings of the RTN however IET

continues to collaborate closely with its partners in the RTN in the delivery of a variety of Newfoundland and Labrador and pan-Atlantic internationalization initiatives.

- **Worked with partners to advance long-term connectivity needs of homes, businesses and institutions**

Budget 2021 committed \$25 million over three years to support connectivity improvements. IET continues to work with our federal partners to maximize and leverage the investments being made in our connectivity infrastructure through the Federal Universal Broadband Fund (UBF) and other funding programs.

In 2021, IET announced over \$875,000 in cellular initiatives for 11 communities, leveraging \$2.65 million from partners. However, a significant gap remains in coverage on major roads and highways where LTE coverage for 2019 is 66.5 per cent.

On February 21, 2022, IET and Innovation, Science and Economic Development Canada (ISED) announced a historic commitment that will provide up to \$136 million to connect remaining rural households in Newfoundland and Labrador to high-speed Internet.

In March 2022, IET announced a three-year Connectivity Strategy committing to improving connectivity to Newfoundlander and Labradorians, built on three pillars: invest; partner and optimize.

2022-23 Objective:

By March 31, 2023, the Department of Industry, Energy and Technology will have strengthened business growth and regional economic development through various initiatives and projects.

Indicators:

- **Provided supports, counselling, and advice to assist company growth, competitiveness and to access internationalization opportunities**

The Grow Export Program (rebranded and Launch Export Atlantic Incubator prior to the start of the 2022-23 cohort) helps companies become better prepared to succeed with

business growth plans in international markets. In 2022-23, six Newfoundland and Labrador firms took part in the webinar training portion of the program, with three of them taking part in the training mission to Atlanta. Two of the firms, were unable to attend the mission and have been offered positions in the 2023-24 cohort. In February 2022, IET announced a contribution of \$149,250 over two years to Energy NL for international market development support in Guyana and Suriname.

The Launch Export Atlantic Incubator is an export readiness program that builds the export capacity of small businesses in Atlantic Canada with the goal of enabling long-term economic growth in the region. In February 2023, 12 Atlantic Canadian company participants, with three being from Newfoundland and Labrador travelled to Atlanta, USA for an educational trade mission.

A delegation of six firms from Newfoundland and Labrador attended the International Builder's Show in Las Vegas, January 29 to February 3, 2023 (supported by ATIGA), where they participated in major networking events and business-to-business consulting.

- **Worked collaboratively with partners on strategic initiatives for the retention and attraction of highly qualified people to the Province**

IET has partnered to provide micro loans, scholarships, programs and internships through the Memorial Centre for Excellence, techNL, and CBDC. IET has been engaged with techNL, the Department of Immigration, Population Growth and Skills and the Department of Education to advance several initiatives. For example, IET is funding the Centre for Artificial Intelligence at MUNL, which includes three new masters programs was announced in July 2022.

In December 2022, Canada's Ocean Supercluster announced a new \$5 million Adaptive Learning Technology Project – The Future of Marine Fatigue Risk Mitigation, led by Training Works, a Newfoundland and Labrador based EdTech company. IET contributed \$335,000 with the project creating and maintaining 22 full time jobs through its duration with the potential for more than 100 indirect jobs as a result.

IET funds the RISE Awards that provide high school students with the opportunity to attend research-related enrichment programs focused on STEM. There are three enrichment programs offered ranging in duration from three to six weeks that introduce students to research and innovation in science, technology, engineering and mathematics (STEM) subjects. In 2022-23, there were 15 RISE award winners.

In February 2023, techNL announced a \$27 million Government of Canada investment to support technology training and upskilling education in the province. The “Find your Future in Tech” campaign will help attract and development the talent to propel this industry forward.

- **Worked to develop strategies to bring cellular coverage to small and remote communities**

In March 2022, Government released Newfoundland and Labrador’s Connectivity Strategy. This three-year Strategy, informed by engagement with residents and stakeholders, will serve as a framework to guide Government’s investments and partnerships for connectivity services, including cellular coverage. The Strategy includes 15 actions, across three pillars, including; Invest; Partner; and Optimize.

In 2022-23, IET worked to analyze how to best improve cellular services. This work informed an Expression of Interest process for communities that was released in June 2023 to identify communities who wish to be considered in the program to improve cellular service. Following the close of the Expression of Interest, the department will issue a Call for Proposals to cellular providers to address gaps and deficiencies in cellular service infrastructure in unserved and underserved communities throughout Newfoundland and Labrador. Much of the work to prepare for the Expression of Interest was completed in 2022-23.

- **Invested in business led R&D and tech initiatives, high-growth potential firms and support business investment in tech and tech adoption**

During 2022-23, the Corporation approved 42 commercial R&D and Research and Innovation (non-commercial) projects for \$9,589,649 in funding (contracted funding of \$8,301,140). These investments in R&D and innovation clients were made in various

sectors to advance partnerships and to collaborate on innovation activities throughout the province. Approved investments leveraged \$37,710,605 from partners to support R&D and innovation.

Specifically, 29 projects were approved for \$6,008,055 (contracted funding of \$5,219,546) through the Research and Innovation Fund (R&D non-commercial), leveraging \$18,692,136 in partnership funding; and, 13 projects were approved for \$3,581,594 (contracted funding of \$3,081,594) through R&D commercial, leveraging \$19,018,469 in partnership funding.

IET supported a techNL project to help firms acquire technology solutions and processes, pivot their business/delivery models, and generate sales throughout all sectors of the economy, which supported approximately 400 companies.

In April 2022, Cyno, a digital marketplace where a company's employees can hire healthcare providers for remote consultations, raised a \$2.3 million seed round led by the Venture Newfoundland and Labrador fund, which is managed by Pelorus Venture Capital, along with a handful of angel investors and industry experts.

Issue Five – Electricity and Renewable Energy

On December 16, 2021, the Provincial Government launched its five year **Renewable Energy Plan; Maximizing Our Renewable Future**. The plan was developed with input from the public, Indigenous governments and organizations, industry and stakeholders. Since the Plan's release progress has been made across all focus areas.

IET also worked closely with stakeholders to oversee improved governance of the province's electricity sector. During 2022-23, IET continued to ensure effective industry oversight and engagement, continued to implement actions related to the Muskrat Falls Inquiry, announced the establishment of an expert panel on Churchill Falls 2041, as recommended by the Muskrat Falls Commission of Inquiry, supported rate mitigation and supported the Department of Justice and Public Safety in the review of public utilities legislation. Advances made in these areas correspond with Government's strategic directions of **A Bright Future** and **A Better Economy**.

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.

Indicators:

- **Advance provincial-led opportunities to support rate mitigation including addressing the recommendations in the Public Utilities Board report on rate mitigation options**

In response to the PUB's recommendations, Government has undertaken a number of initiatives. In particular, the Province signed agreements with the federal government in April 2020 and February 2022 to secure federal loan guarantee and effect capital restructuring of the Muskrat Falls Project. Additionally, in 2022, Government wrote the Board of Directors for Nalcor, asking it to maintain retail electricity rates as close to

current levels as possible with the July 2022 Rate Stabilization Plan filing, which occurred as requested. Another key effort of Government was to provide Hydro with over \$190 million to eliminate the balance accrued in the Supply Cost Variance Deferral Account which otherwise would be recovered from ratepayers. Government has also engaged with utilities and provided funding to support programming for electrification including electric vehicle charging stations and an electric vehicle rebate. The Lower Churchill Project being commissioned in 2023 enables full project cost recovery to occur and finalization of rate mitigation in advance of NL Hydro's next General Rate Application anticipated in 2024.

- **Implement recommended actions from the Commission of Inquiry respecting the Muskrat Falls Project**

Throughout the planning cycle of 2020-23, IET progressed efforts to implement the recommendations of the Muskrat Falls Inquiry, including work to develop a Terms of Reference for the Churchill River Management Expert Panel. In February 2023, the Provincial Government advised it had received the Churchill River Management Expert Panel's report. In June 2021, Government announced that Nalcor Energy operations would be moving under Newfoundland and Labrador Hydro and the corporation would evolve to a steady-state utility focused on cost reduction while providing safe, reliable electricity, and focusing on maximizing the economic potential of its energy portfolio. In March 2023, Government introduced the **Hydro Corporation Act, 2023**.

- **Implemented a provincial renewable energy plan**

On December 16, 2021, IET released its renewable energy plan, "Maximizing Our Renewable Future." The five-year Renewable Energy Plan provides a sustainable long-term vision for Newfoundland and Labrador to maximize its renewable energy future. This is a five-year plan with four specific focus areas, all with short-term (within one year), medium-term (within two years) and long-term (two to five years) actions for each, which will support planning and delivery on a range of activities:

- Energy Uses and Markets

- Regulatory Framework
- Partnerships, Innovation and Industry Support
- Training and Jobs

2022-23 Objective:

By March 31, 2023, the Department of Industry, Energy and Technology will have further identified and advanced opportunities to leverage our renewable energy resources to maximize benefit for the people of the province.

Indicators:

- **Continued to facilitate commissioning and cost recovery of the Muskrat Falls Project**

On May 16, 2022, Government issued OC2022-120 to begin partial cost recovery for the Muskrat Falls and Labrador Transmission Assets portions of the project. This will reduce the period of short-term financing required prior to commencement of full cost recovery. Hydro sought and received PUB approval to implement a Project Cost Recovery Rider to commence collection of a portion of Muskrat Falls costs from customers in 2022 and maintain rate stability.

- **Continued to implement rate mitigation initiatives to avoid potential electricity rate increases to the extent possible**

On March 31, 2023, IET announced that to limit future customer rate increases and reduce financing costs accumulating in the Supply Cost Variance Deferral Account, the Provincial Government paid the remaining 2022 balance of approximately \$190.4 million. By paying the 2022 deferral balance, customers avoid having the cost recovered on their bills. Funding the deferral account balance is a further step in the Provincial Government's commitment to mitigate customer rates.

The Labrador – Island Link was commissioned after the planning period in April 2023. Full commissioning of all aspects of the Lower Churchill project, including the Labrador-Island Link, enables Government to finalize rate mitigation.

- **Reported on the one-year implementation of the Renewable Energy Plan**

Throughout 2022-23, IET progressed implementation of the Renewable Energy Plan, and provided frequent updates to the public on the status of various action items. These updates included:

- April 5, 2022: Government lifted the moratorium on wind development, creating an opportunity for industrial customers to generate wind energy for their own consumption and wind generation for export, and announced intention to expand the mandate of the Canada-Newfoundland and Labrador Offshore Petroleum Board with the Government of Canada, to include the regulation of offshore renewables, including wind and clean hydrogen;
- July 26, 2022: Announced a fair and transparent Crown land nomination and bid process for wind energy projects, as well as launching a Call for Crown land nominations for wind energy projects that same day (closed October 1, 2022);
- September 2022: Signed a Letter of Intent with the City of Hamburg on the cooperation of hydrogen and hydrogen technologies;
- September 2022: Released a virtual Renewable Energy Resource Hub;
- December 14, 2022: Launched a Crown Land Call for Bids for Wind Energy Projects that included approximately 17,000 square kilometres of Crown land on the Island (closed March 23, 2023). Twenty-four bids were received from 19 companies;
- February 23, 2023: Released a Wind-Hydrogen Fiscal Framework, providing a predictable and transparent fiscal system to inform investment decisions and resource development for wind-hydrogen projects; and
- Continued extensive and ongoing engagement with companies and industry leaders.
- **Reviewed the wind moratorium policy on the Island Interconnected Electricity System**

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One of the short-term commitments in the Province's Renewable Energy Plan was to review the wind moratorium policy on the Island Interconnected Electricity System. On April 5, 2022, Government announced lifting of the moratorium on wind development to allow industrial customers seeking to self-generate wind energy for their own consumption, and industrial customers or retailers seeking to generate wind energy for export, to apply for Crown leases or grants. This was followed by a Call for Crown Land Nominations for Wind Energy Projects on July 26, 2022 and a Call for Bids for Crown Land for Wind Energy Projects on December 14, 2022.

Opportunities and Challenges

IET recently released the Strategic Plan for 2023-26 in accordance with the **Transparency and Accountability Act**. IET identified three overarching priorities of the Department - Economic Development and Business Growth; Clean and Innovative Economy; and a Competitive Regulatory Environment. IET will continue to progress activities each year on the indicators identified under each issue.

Economic Development and Business Growth

IET is committed to creating the conditions necessary to facilitate economic development, private sector investment, and business growth. This is important to ensure that residents have access to the goods and services they desire for their wellbeing, that companies are supported in their efforts to grow and reach new markets, and to ensure tax revenue is sufficient to enable Government to deliver and provide vital public services, including education, health, and social care.

Newfoundland and Labrador continues to diversify, grow and strengthen our economy by fostering business growth, regional economic development and connectivity. IET supports economic development initiatives led by municipalities, industry organizations, social enterprises and cooperatives, and other not-for-profit groups to maximize social and economic impacts across the Province. The department also implements initiatives to attract new investment to the Province in high-growth sectors and industries, and to assist provincial companies in their efforts to access new export markets.

Through business and regional development programs, the department recognizes that priorities and opportunities differ from region to region. Ongoing work is required with business, community, and other governments to ensure growth initiatives are identified in various sectors. IET has worked with partners to help build planning capacity and to identify priority areas for investment.

Clean and Innovative Economy

Newfoundland and Labrador has an abundance of developed and undeveloped renewable energy resources that position the province well to meet its net-zero commitments, fight climate change, and increase clean energy jobs and economic development. Newfoundland and Labrador is also home to leading academic and training institutions poised to respond to the rising demand for highly skilled workers, and a burgeoning technology sector supported by an innovation ecosystem that assists entrepreneurs to strategically build their businesses, and accelerate commercialization and development.

In addition to renewable energy and clean fuel development, these initiatives will support the continuing development of rapidly growing technology sectors such as information and communication technology, ocean technology, health technology and life sciences, aerospace and defense, and others. That supports are directed towards startup companies, industry associations, research institutions, incubators, and other organizations that are essential to the growth and sustainability of a technology ecosystem that promotes innovation and entrepreneurial activity.

In May 2022, Government announced the restart of the West White Rose Project, including \$100 million to establish a Green Transition Fund to support the energy transition and other renewable initiatives. This initiative will enable the province to plan for the future as we foster an environment that supports our economy by embracing renewable energy, while maximizing our low-carbon oil and gas advantage.

On December 14, 2022, IET opened the Crown Land Call for Bids for Wind Energy Projects, allowing companies to submit bids for Crown land use for purposes including wind turbines, permanent buildings, plant facilities, roads, transmission lines, hydrogen and ammonia production facilities, and surrounding Crown lands. This Call for Bids is a fair and competitive approach to wind energy development, undertaken to ensure the development and use of the province's Crown land in a manner that ensures the greatest long-term benefit for residents of the Province. The Call for Land Bids has

generated international attention, and the development of the emerging hydrogen industry in Newfoundland and Labrador will allow us to continue to meet clean energy commitments domestically and via export.

IET continues its work with RERT, collaborating with the federal government to advance the top economic priorities in the energy and resource sectors in each of Canada's regions.

Competitive Regulatory Environment

Newfoundland and Labrador possesses world-class resources, including oil and gas, renewable energy and minerals. An efficient and competitive regulatory regime is vital to ensure that Newfoundland and Labrador can compete globally for investment.

Mining projects continue to be found and developed creating much-needed benefits and employment to rural Newfoundland and Labrador, including critical minerals vital to clean economic growth. In addition, the world will continue to produce and consume oil and gas products. During this period of transition, Newfoundland and Labrador's oil, with its lower upstream emissions per barrel relative to the international average, is needed to displace higher emitting sources. As Government continues its efforts to enable wind development in the province, such as the Crown Land Calls for Bids, and the release of the Wind-Hydrogen Fiscal Framework, IET is fostering an environment that supports the economy by embracing renewable energy while maximizing our low carbon oil and gas advantage.

In June 2021, Premier Furey announced that that Nalcor Energy operation would be moving under Newfoundland and Labrador Hydro. This consolidation will result in streamlining business processes, removing duplication and saving money. The transition is ongoing with legislative changes required. The **Hydro Corporation Act, 2023** was introduced in the House of Assembly with first reading on March 21, 2023.

In April 2022, federal and provincial governments announced their intention to expand the application of the Accord Acts and the mandate of C-NLOPB to include the

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regulation of Offshore Renewable Energy (ORE). The province has been working diligently with the Federal Government to amend the Accord Acts to facilitate the change, which will see the organization having a new name and have its mandate expanded to include potential offshore renewable energy developments.

In March 2023, the Governments of Canada and Newfoundland and Labrador launched a Regional Assessment of Areas Offshore Newfoundland and Labrador. A committee has been appointed to conduct the Regional Assessment and will engage Indigenous groups, federal and provincial authorities, non-governmental organizations, and the public. Assessment will allow for early analysis of future wind development offshore of Newfoundland and Labrador, as well as its potential environmental, health, social and economic effects and benefits.

Financial Information

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 2023.

		Estimates		
		Actual (\$)	Amended (\$)	Original (\$)
Executive and Support Services¹				
1.1.01	Minister's Office	306,160	314,900	267,900
1.2.01	Executive Support	2,038,466	2,065,900	1,990,900
1.2.02	Corporate & Strategic Services	2,764,546	2,875,800	2,746,800
	Less: Revenue	(99,450)	(177,000)	(177,000)
1.2.03	Administrative Support (Capital)	0	100	100
Total		5,009,722	5,079,700	4,828,700
Mining and Mineral Development				
2.1.01	Geological Survey	3,446,956	3,593,900	3,593,900
2.1.02	Mineral Lands	1,592,714	1,674,900	1,544,900
2.1.03	Mineral Development	2,988,429	3,166,700	3,291,700
Total		8,028,099	8,435,500	8,430,500
Energy Development				
3.1.01	Energy Policy	4,235,851	4,402,800	3,802,800
	Less: Revenue	(21,080)	(80,000)	(80,000)
3.1.02	Petroleum Development	1,206,716	1,234,600	1,234,600
3.1.03	Canada/NL Offshore Petroleum Board	11,805,000	11,805,000	11,805,000

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		Estimates		
		Actual (\$)	Amended (\$)	Original (\$)
	Less: Revenue	(11,286,488)	(11,805,000)	(11,805,000)
3.1.04	Royalties and Benefits	2,437,970	2,597,500	2,527,500
3.1.05	Oil and Gas Industry Support	167,916,021	185,605,000	186,080,000
	Less: Revenue	(6,000,000)	(6,000,000)	(6,000,000)
3.1.06	Oil and Gas Corporation of Newfoundland and Labrador	8,768,693	19,541,100	19,541,100
3.1.07	Energy Initiatives	190,404,321	190,405,100	100
3.1.08	Oil and Gas Corporation of Newfoundland and Labrador (Capital)	0	3,978,600	3,978,600
3.1.07	Energy Initiatives (Capital)	0	100	100
Total		369,467,004	401,684,800	211,084,800
Business and Innovation				
4.1.01	Accelerated Growth	1,655,172	2,330,600	2,355,600
	Less: Revenue	(32,000)	(300,000)	(300,000)
4.1.02	Investment Attraction Fund	1,926,110	3,000,000	3,000,000
	Less: Revenue	(345,043)	0	0
4.2.01	Business Analysis	1,544,091	2,246,600	2,530,600
4.3.01	Innovation and Business Investment	16,836,000	16,836,000	16,836,000
Total		21,594,330	24,113,200	29,422,200
Industry and Economic Development				
5.1.01	Sector Diversification	2,613,912	2,808,800	1,496,800

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	Less: Revenue	(33,342)	0	0
			Estimates	
		Actual (\$)	Amended (\$)	Original (\$)
5.2.01	Regional Economic and Business Development	3,248,559	4,240,800	4,412,800
5.3.01	Comprehensive Economic Development	13,280,599	13,678,600	19,960,600
	Less: Revenue	(128,822)	0	0
Total		18,980,906	20,728,200	25,870,200
Total Department		423,080,061	460,041,400	279,636,400

1 In 2022-23, a portion of Executive and Support Services – specifically the Finance & General Operations function – was shared with the Department of Fisheries, Forestry & Agriculture

Inactive Entities

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.

