

DEPARTMENT OF INDUSTRY, ENERGY AND TECHNOLOGY

# STRATEGIC PLAN

2020-23



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# MESSAGE FROM THE MINISTER

As Minister of Industry, Energy and Technology, I am pleased to present my department's 2020-23 Strategic Plan outlining goals and objectives for the period April 1, 2020 to March 31, 2023. These goals have been prepared in accordance with the strategic directions of government, and the department's mandate and resources.

This is an exciting time for our department – a new department focused on economic growth and diversification that underscores the importance of aligning efforts and capitalizing on the synergies across major driving forces of our economy. It is particularly important to maximize these efforts at this time as we face very unique economic challenges such as those presented by the COVID-19 pandemic.

I look forward to working with the department's team, as well as the many stakeholders in the province, in the implementation of this plan and in embracing the opportunities and challenges that the next three years will bring.

As Minister of Industry, Energy and Technology, I am accountable for the preparation of this plan and for the achievement of the goals and objectives outlined. The plan has been prepared in accordance with the requirements of the **Transparency and Accountability Act**, under which the Department of Industry, Energy and Technology is classified as a Category 1 entity.



Honourable Andrew Parsons  
Minister of Industry, Energy and Technology

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## Departmental Overview

The Department of Industry, Energy, and Technology (the department) is responsible for:

- 1) The supervision, control and direction of all matters relating to the promotion, exploration and development of mineral and energy resources and related industry developments in Newfoundland and Labrador. These responsibilities extend to the following natural resource areas/considerations:
  - Mines, minerals, quarries, and quarry materials;
  - Onshore and offshore petroleum resources, with offshore resources managed jointly with the federal government;
  - Electrical generation and transmission;
  - Overall responsibility for provincial energy supply and demand;
  - Development, monitoring, supervision, assistance or other government intervention into any of the industries as described above;
  - Petroleum royalties and associated matters;
  - Negotiation and compliance monitoring of industrial benefits commitments for major resource development projects.
  
- 2) The supervision, control and direction of all matters relating to:
  - the creation and maintenance of a competitive and inclusive economic environment that encourages and supports private sector business growth and innovation, leading to long-term sustainable employment opportunities for the people of the province;
  - the diversification of the economy on a provincial and regional basis, with particular attention to rural areas and sector diversification;

- the promotion of and support for increased trade activity by provincial industries and businesses in national and international markets and facilitation of investment in provincial industries and businesses;
- the creation of a climate conducive to business innovation through the facilitation of research and development, collaborative initiatives with educational institutions, technology transfer and technology commercialization within provincial industries and individual business enterprises;
- the provision of business information, network development, counselling and financial support programs and services to small and medium sized enterprises, including private businesses, co-operatives, credit unions, social enterprises and community development corporations to stimulate sustainable economic and employment development within the province;
- the negotiation and administration of comprehensive federal and provincial economic development agreements and other forms of collaboration;
- the use of a strategic approach to collaborative sector growth strategies that support innovation, productivity and competitiveness, facilitate cross sector and supply chain development initiatives and advance telecommunications; and
- the provision of regional economic development supports including strategic capacity building and investments in communities to enable economic development opportunities.

The department's programs and services are delivered through five main branches.

- 1) The Mining and Mineral Development Branch includes three main sections - Mineral Development, Mineral Lands and the Geological Survey
- 2) The Energy Branch includes three main sections - Petroleum Development, Royalties and Benefits and Energy Policy

- 3) The Industry and Economic Development Branch includes two main sections – Regional Economic Development and Sector Diversification
- 4) The Business and Innovation Branch includes two main sections – Business Analysis and Accelerated Growth
- 5) The Corporate and Strategic Services Branch includes three main sections - Resource Promotions and Development, Financial Operations and Strategic and Support Services

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.

## Mandate

IET has a mandate that focuses on the following key areas:

- Develop a strong and diversified economy by supporting entrepreneurship, providing access to capital, and investing in regional and sectoral development, diversification, and innovation
- Support economic development initiatives led by municipalities, industry organizations, social enterprises and co-operatives, and other not-for-profit groups
- Support business growth, technology and innovation
- Support research and development initiatives
- Position Newfoundland and Labrador as a top tier global jurisdiction for safe, environmentally responsible exploration and mining growth
- Position Newfoundland and Labrador as a globally-preferred location for investment in oil and gas
- Development of mines, minerals, quarries, and quarry materials
- Promotion, exploration and development of mineral and energy resources

- Provide oversight and management of the Muskrat Falls project
- Negotiating and monitoring industrial benefits commitments from major resource development projects
- Monitoring of petroleum royalties and associated matters
- Lead our Province's move toward a green economy and an investment in green energy technology
- Develop a renewable energy strategy

## Lines of Business

All branches of IET focus on supporting and developing major economic drivers in Newfoundland and Labrador. The main lines of business for all activity includes:

- **Business and Economic Development:** The department leads planning activities, financial program delivery and non-financial services to support economic development and diversification throughout the province. This includes utilizing research and industry engagement to identify gaps and opportunities within various industries.
- **Resource Policy and Management:** Working closely with key stakeholders, the department develops resource policy for energy, oil and gas and mining, and coordinates and facilitates sustainable development and management. The department is solely responsible for ensuring industries follow appropriate resource management practices and comply with relevant regulations.
- **Resource Exploration and Assessment:** This includes all those activities that precede resource development, including the gathering, interpretation and dissemination of Geoscience data and the provision of exploration incentives.



- **Promotion and Facilitation of Resource Development:** Resource development projects generally tend to be long term, capital intensive and generate significant economic and employment benefits.
- **Support for Innovation:** Providing program and policy development to advance an innovation economy that enables firm-level growth and supports creative opportunities and initiatives led by industries and communities.

## Primary Clients

IET works with a wide array of clients including:

- Exploration and development companies
- Electrical generation and supply distribution companies
- Industrial and residential electricity customers
- Supply and service companies in the resource and electricity sector
- Businesses
- Community organizations and industry associations
- Academic institutions
- Municipalities
- Indigenous partners and stakeholders
- Federal government and agencies
- Other provincial government departments, crown corporations, and agencies

Additional information about the department can be found on the departmental website at: <https://www.gov.nl.ca/iet>.

## Staff and Budget

As of August 31, 2020, the Department of Industry, Energy and Technology had 319 positions. At the time of reporting there were 243 active staff members.

Branch / Functional Area	Female	Male	Total
Mining and Mineral Development	31	31	62
Energy	20	24	44
Industry and Economic Development	31	34	65
Business and Innovation	10	24	34
Corporate and Strategic Services	14	10	24
Minister's Office/Executive Support	9	5	14
<b>Total</b>	<b>115</b>	<b>128</b>	<b>243</b>

The budget for the divisions and sections of the department for fiscal year 2020-21 is \$114.15 million.

Division/Section	Total
Mining and Mineral Development	\$8,656,700
Energy	\$13,479,500
Industry and Economic Development	\$17,931,700
Business and Innovation	\$13,042,800
Corporate and Strategic Services <sup>1</sup>	\$2,467,100
Minister's Office/Executive Support	\$1,746,700
<b>Total</b>	<b>\$57,324,500</b>

<sup>1</sup>The Financial Operations Division of Corporate and Strategic Services is shared with the Department of Fisheries, Forestry and Agriculture.

In addition to these amounts, the budget also includes \$28.32 million for the Oil and Gas Corporation of Newfoundland and Labrador, \$11.67 million for the Canada/Newfoundland and Labrador Offshore Petroleum Board and \$16.84 million for the Innovation and Business Investment Corporation.

## Issue One – Mineral Sector Development

Identifying our mineral potential through geoscience, creating clear pathways for development and effective promotion are key to unlocking the economic potential of the mineral industry in Newfoundland and Labrador. The Action Plan outlined in Mining the Future 2030 will position Newfoundland and Labrador as an ideal jurisdiction for mineral resource development activity and investment, which in turn will contribute to economic development and benefits to the Province.

Progress has been made on implementation of the Immediate Actions identified in Mining the Future 2030. Continued implementation of the mineral strategy, in partnership with Mining Industry NL, will remain the focus for the next three years.

Working collaboratively with industry, other government departments and the Federal government towards making Newfoundland and Labrador a jurisdiction that can compete globally for mineral investment, and effectively promoting this fact, will ensure the sustainability of the industry – that projects will continue to be found and developed creating much-needed benefits and employment to rural Newfoundland and Labrador.

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

**Indicators:**

- Updated legislation
- Enhanced global promotion of the sector in support of increased exploration and development
- Provided innovation supports to industry
- Initiated the development of a Labrador specific geoscience strategy
- Increased use of technology e.g. airborne geophysics to enhance detection of new deposits
- Increased resources to support gender equity and diversity
- Aligned departmental programs to support the exploration and development of critical minerals
- Increased dissemination of digital geoscience data

**Objective 1: By March 31, 2021, the Department of Industry, Energy and Technology will have actioned priority initiatives identified in Mining the Future**

**Indicators:**

- Progressed work required to modernize the **Mineral Act** and the **Mining Act**
- New mining and mineral development promotions materials developed for virtual resource promotion activities
- New promotions materials, resources and supports identified to increase gender equity and diversity in the sector
- New outreach program for schools and communities drafted

- Program review with recommendations for work related to critical mineral development
- Geoscience Technical Advisory Committee established to provide recommendations on how the Geological Survey's plans and products can best meet the needs of the industry
- Started hyperspectral scanning of drill core

**Objective 2: By March 31, 2022, the Department of Industry, Energy and Technology will have actioned opportunities to align and enhance departmental service delivery to support sector growth and development.**

**Objective 3: By March 31, 2023, the Department of Industry, Energy and Technology will have implemented concrete actions to support sector growth.**

## Issue Two – Responsible Oil and Gas Development

Newfoundland and Labrador is a world class location for Oil and Gas exploration and development with the highest human rights, safety, and environmental standards. Over the last decade alone, Newfoundland and Labrador's offshore has attracted significant foreign capital investment, generated tens of thousands of jobs annually and supported important public services.

Newfoundland and Labrador's offshore oil and gas industry has a vital role to play in the global energy transition. The province's offshore projects are among some of the lowest carbon intensity emitting facilities in the world. A focus on accelerating exploration and development activities, and availing of technological advancements will lead to the realization of sustainable developments and allow us to remain a low carbon jurisdiction.

Through continued collaboration with the Federal Government and other regulatory partners and industry, government continues to identify and implement changes that streamline processes to increase industry competitiveness. An offshore industry that is engineered to be environmentally responsible, sustainable and globally competitive is beneficial to the Province and Canada as it will produce a reliable and ethical source of energy to meet world market needs while providing significant financial benefits for years to come.

**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
- Increased industry promotion of environmental, social, and governance performance
- Supported increased use of technology to decrease the carbon intensity of the sector
- Worked with the federal government to identify and encourage regulatory changes that increase competitiveness
- Identification and implementation of the advancements necessary in the provincial sector to remain competitive in the global oil and gas industry

**Objective 1: By March 31, 2021, the Department of Industry, Energy and Technology will have actioned priority initiatives designed to support the provincial oil and gas sector in response to the pandemic and the low global oil price.**

**Indicators:**

- Worked with the federal government and industry to identify and implement supports to help companies manage through the pandemic and low price environment
- Established a provincial task force to identify immediate actions required to sustain the offshore oil and gas industry



- Supported the administration of \$320 million federal government investment in the offshore oil and gas industry
- Worked directly with companies to support continued exploration and operation in offshore NL
- Established and communicated clear eligibility criteria and program functioning of the Offshore Exploration Incentive
- Implemented accelerated write-down program for Security Deposits
- Increased offshore promotion through virtual trade shows
- Progressed Basin-Specific Plans with a regional focus may be needed to support exploration attraction, far offshore supply logistics, improved operational efficiencies, and maximize economic recovery
- Continued to support Industry to Expand Integrated Operations, including business start-ups and diversification to this sector
- Participated in active dialogue with Industry and other jurisdictions in support of creating a natural gas development plan

**Objective 2: By March 31, 2022, the Department of Industry, Energy and Technology will have implemented priority actions in Advance 2030 to support maintenance and growth of the offshore oil and gas sector.**

**Objective 3: 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.**

## Issue Three - Technology and the Innovation Ecosystem

Tremendous progress has been made in Newfoundland and Labrador due to the significant amount of focused work undertaken between governments, industry, academia and community partners. Various new partnerships and initiatives are supporting resource industries and knowledge-based sectors, advancing innovation in the economy, and focusing on improving outcomes.

The ultimate goal of collaboration and partnerships is to provide maximum benefits to clients by leveraging partner strengths, aligning programs and services, taking a proactive approach to develop solutions, addressing issues in real time and developing joint solutions benefiting all stakeholders.

Through continued collaboration, the implementation of proactive and responsive supports, and acting with an aggressive commitment to innovation, all partners will continue to witness the growing strength of the innovation ecosystem. Advancing an innovation economy in Newfoundland and Labrador will drive expansion and growth of the technological capability of firms and organizations throughout our province as they compete globally. The COVID-19 pandemic has heightened awareness of the importance of technology for the delivery of services and business activity. Supporting new technology, research and development opportunities, and digital solutions will be an ongoing priority.

**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
- Supported partnership initiatives between government, industry and academia
- Supported and accelerated the growth of innovation and technology
- Supported businesses and industry pursuing international trade and investment opportunities

**Objective 1: By March 31, 2021, the Department of Industry, Energy and Technology will have collaborated with industry partners to support the technology sector and innovation ecosystem in the province.**

**Indicators:**

- Worked with industry and ecosystem partners to initiate business and market development initiatives
- Established partnerships with innovation ecosystem organizations to grow number of new startups
- Collaborated on investments for commercial and non-commercial research and development investments
- Partnered with industry to advance private sector-driven strategic trade development plans to grow exports in select knowledge-based industries,

such as Aerospace & Defence, Biosciences, Clean Technology; Information and Communications Technology, and Ocean Technology

**Objective 2: By March 31, 2022, the Department of Industry, Energy and Technology will have actioned initiatives to support the technology sector and innovation ecosystem in the province.**

**Objective 3: 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.**

## Issue Four - Business Growth and Regional Economic Development

Fostering business growth and regional economic development is critical to diversifying, growing and strengthening our economy. Collaboration between the Provincial Government and industry is an important driver of making smart investments and developing strategic sectors of the economy. Together, we have identified specific areas of focus to create economic opportunity in all regions of the province.

IET has successfully partnered with many stakeholders throughout the province, such as private businesses, new start-ups, industry associations, economic development organizations and Indigenous partners to advance economic development initiatives. IET will continue to engage with business, regional and sector stakeholders to ensure a collaborative approach to addressing challenges and opportunities and to adapt programs and supports to meet the evolving needs of partners. This has been particularly important during the economic circumstances evolving during the COVID-19 pandemic.

As we work closely with economic development organizations, the Federal Government and business stakeholders to develop and implement ideas that support economic growth, we will make investments that will have long-term positive impacts on regional economies. Using a diverse suite of financial and non-financial programs and services, we continue to provide access for supports to advance development opportunities and build capacity throughout the province.

IET's focus on business growth and economic diversification underscores the importance of aligning efforts and capitalizing on the synergies across major driving forces of our economy. Working together, we will focus on embracing innovation in our province. Innovation and technology is important not only to the success of firms and organizations, but also to the economic and social well-being of communities, regions and countries. In addition, as modern telecommunications are fundamental to economic prosperity, social development, and global competitiveness, advancing connectivity in Newfoundland and Labrador will be a priority.

**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
- Supported regional economic development initiatives led by municipalities, industry organizations, social enterprises and co-operatives, and other not-for-profit groups
- 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
- Supported trade diversification and the promotion of opportunities for our province flowing from free trade agreements
- 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.
- Continued implementation of the Social Enterprise Action Plan
- Attracted investment to the province
- Continued support for collaborative work of Regional Trade Networks
- Worked with partners to advance long-term connectivity needs of homes, businesses and institutions

**Objective 1: By March 31, 2021, the Department of Industry, Energy and Technology will have worked with partners to support business growth and regional economic development initiatives.**

**Indicators:**

- Invested in business and regional economic development initiatives
- Delivered COVID-19 relief programs such as the Small Business Assistance Program
- Leveraged investment from sources such as the federal government and industry
- Implemented sector growth initiatives for Technology, Manufacturing and Processing, Food and Beverage, and Craft & Gift
- Facilitated sector and regional partnerships to advance economic diversification
- Advanced Cell Service Initiatives throughout the province
- Established partnerships to advance broadband connectivity

**Objective 2: By March 31, 2022, the Department of Industry, Energy and Technology will have actioned initiatives to support business growth and regional economic development initiatives.**

**Objective 3: 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.**



## Issue Five - Electricity and Renewable Energy

As a province, Newfoundland and Labrador has an abundance of developed renewable energy resources. Currently, over 80 per cent of the province's electricity is generated from renewable energy, and this will increase to 98 per cent when the Lower Churchill hydroelectric project enters service. This project will also result in approximately 3.5 terawatt hours of energy per year that is surplus to Newfoundland and Labrador's current electricity needs. Further, in 2041, the Churchill Falls Renewal Contract with Hydro Quebec will expire, resulting in an additional 25 terawatt hours of surplus energy per year. Our province also has a wealth of undeveloped renewable energy resources, including but not limited to, hydro, wind, wave, tidal and biomass.

Climate change is occurring worldwide, and at an unprecedented pace and scale. Renewable energy has an important role in addressing climate change as it offers the opportunity to rethink how we produce and use energy. Many governments are taking the lead to transition to a low-carbon economy, including the Government of Canada and the Government of Newfoundland and Labrador committing to net-zero emissions by 2050. Given our province's abundance of renewable energy resources, this presents opportunities within and outside of Newfoundland and Labrador. In order to leverage the global opportunity, create employment opportunities for the people of our province and further position Newfoundland and Labrador as an energy supplier, we need a plan guided by the critical input of industry and stakeholders, while supporting other priorities, including rate mitigation.

**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
- Implement recommended actions from the Commission of Inquiry Respecting the Muskrat Falls Project
- Implemented a provincial renewable energy plan

**Objective 1: By March 31, 2021, the Department of Industry, Energy and Technology will have continued to ensure effective electricity sector oversight and engagement.**

**Indicators:**

- Implement legislative changes to enable greater alignment between government and Nalcor Energy with respect to compensation
- Chair ministerial committee implementing actions related to the Muskrat Falls Inquiry
- Pursue opportunities to expand markets for Muskrat Falls power through the Atlantic Loop
- Participated in the Oversight Committee meetings
- Continue to engage with Indigenous stakeholders on opportunities to pursue sustainable renewable solutions
- Provide industry and stakeholders the opportunity to provide input for consideration in the province's renewable energy plan
- Finalize and release the renewable energy plan

**Objective 2: By March 31, 2022, the Department of Industry, Energy and Technology will have initiated immediate actions identified in the Muskrat Falls Inquiry report, Public Utilities Board report on rate mitigation options, and provincial renewable energy plan.**

**Objective 3: 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.**

## Annex A: Inactive Entities

### 1. Private Air Access Advisory Committee

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

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

## Annex B: Strategic Directions

Strategic directions are the articulation of a desired physical, social, or economic outcome that would normally require action by, or involvement of, more than one government entity. They are normally communicated through White Papers, or other major platform documents. The Transparency and Accountability Act requires departments and public bodies to take into account these strategic directions in the preparation of their performance-based plans.

The Government Of Newfoundland and Labrador has identified the following strategic directions for the 2020-2023 planning cycle. These themes were considered as appropriate and applicable in the development of the document.

- A Better Economy
- Healthier People
- Better Living
- A Bright Future
- A More Efficient Public Sector