

May 30, 2023

Kim Grout, Chief Executive Officer
Provincial Agricultural Land Commission
201-4940 Canada Way
Burnaby, BC V5G 4K6

Dear Ms. Grout:

Re: *Energy Statutes Amendment Act, 2022, SBC 2022, c 42 (ESAA) and the Delegation Agreement between Provincial Agricultural Land Commission (ALC) and Oil and Gas Commission (OGC) made as of December 8, 2017 (Delegation Agreement)*

I write in response to the recent discussions between the ALC and British Columbia Energy Regulator (BCER) and further to my correspondence of March 7, 2023, in respect of recent statutory changes to the mandate, board structure and name of the BCER and the potential impacts of these changes to the Delegation Agreement made between the ALC and the OGC.

The BCER's new mandate includes the regulation of hydrogen, methanol, and ammonia, in addition to the BCER's existing regulatory oversight of oil and gas activities. Despite this, the BCER recognizes that the delegation of authority provided by the ALC is limited to authorizing non-farm use of agricultural lands for certain oil and gas activities and activities ancillary to oil and gas activities, as well as exempting certain oil and gas activities and ancillary activities from the requirement for an application for non-farm use. The BCER acknowledges that the ALC has not extended BCER decision-making beyond that, including to activities related to hydrogen, methanol, and ammonia.

In lieu of immediately updating the Delegation Agreement to reflect this authority, the ALC has indicated its preference to confirm by letter our mutual understanding that the delegated authority remains limited to certain oil and gas activities and activities ancillary to oil and gas activities, located on lands within the Peace River Regional District and Northern Rockies Regional Municipality that are designated as an agricultural land reserve. Any applications not relating to oil and gas activities and activities ancillary to oil and gas activities will be directed to the ALC for decision, including applications relating to hydrogen, methanol, and ammonia activities, or activities ancillary to the manufacture of hydrogen, methanol or ammonia.

The ALC and BCER agree that as a result of this letter agreement, no immediate amendments are required to the Delegation Agreement to address the expansion of the BCER's mandate to include hydrogen, methanol and ammonia. However, this letter agreement does not preclude future adjustments to the Delegation Agreement to address the BCER's expanded mandate, to reflect new circumstances or legislative changes, or to address other matters.

The ALC and BCER agree that as a result of this letter agreement, no immediate amendments are required to the Delegation Agreement to address the expansion of the BCER's mandate. However, this letter agreement does not preclude future adjustments to the Delegation Agreement to address the BCER's expanded mandate, to ensure consistency with the *Agricultural Land Commission Act* and its regulations, to otherwise reflect new circumstances or legislative changes, or to address other matters.

I look forward to the continued cooperation and collaborative work of our organizations. Since I joined the organization as Commissioner and Chief Executive Officer, the BC Energy Regulator has made several shifts in its strategic and operational approach to important matters including reconciliation, stewardship and engagement with communities. I would welcome an opportunity to meet with you to describe these shifts and how our organizations can collaborate and work effectively together, including in relation to the Delegation Agreement.

Sincerely,



Michelle Carr
Commissioner and CEO
BC Energy Regulator


Kim Grout, Chief Executive Officer
Provincial Agricultural Land Commission

ec: Shannon Baskerville, Deputy Minister
Ministry of Energy, Mines and Low Carbon Innovation

Peter Pokorny, Deputy Minister
Ministry of Agriculture and Food

Jennifer Dyson, Commission Chair
Provincial Agricultural Land Commission