



Natural Resources Canada Ressources naturelles Canada

Deputy Minister Sous-ministre

Ottawa, Canada
K1A 0E4

Mr. Jean-Denis Fréchette
Parliamentary Budget Officer
Office of the Parliamentary Officer
50 O'Connor Street, 10th Floor
Ottawa, Ontario K1A 0A9

Dear Mr. Fréchette:

I am writing to respond to your letter of December 20, 2017, requesting data updates for Natural Resources Canada, with regard to allocations for and projects related to the federal infrastructure initiative announced in Budget 2016. The worksheet provided by your office has been updated as requested.

Taken together, this data shows our department is making steady progress in delivering infrastructure projects as we support Canadians in the transition to a low-carbon economy.

As you are aware, Natural Resources Canada received infrastructure funding for the following initiatives: Electric Vehicles Infrastructure Demonstrations; Electric Vehicle and Alternative Fuel Infrastructure Deployment; Regional Electricity Cooperation and Strategic Infrastructure; and the Federal Infrastructure Initiative. These initiatives have a total budget of \$155.7 million (M), of which \$155.4M is provided to Natural Resources Canada and, as per Treasury Board Secretariat instructions on costing submissions, \$300,000 is provided to Public Services Canada and Shared Services Canada. The department is reporting on 54 individual projects, from across the country. Our initiatives are progressing as expected. Contribution agreements are being signed and projects are being announced and making headway.

Phase 1 of the Electric Vehicle Infrastructure Demonstration (EVID) initiative received \$46.1M over 2 years starting in 2016–17; however, funding for the EVID component was extended from two to four years in order to better match the funding requirements of project proponents, which are developing and demonstrating next-generation electric vehicle charging infrastructure, in real-world applications. The EVID component is providing funding support to demonstration projects carried out by charging-station equipment and service

providers to reduce the costs, understand the impacts, and address potential hurdles for the deployment of next-generation charging infrastructure for electric vehicles. As of January 2018, the EVID program had allocated funding to 11 demonstration projects. Contribution agreements have been signed in the case of 7 projects, with projects started and underway. Contribution agreements for 3 other projects are expected to be signed prior to March 31, 2018.

Budget 2016 provided \$16.4M over two years for the Electric Vehicle and Alternative Fuel Infrastructure Deployment initiative to support the installation of electric vehicle fast chargers, and natural gas and hydrogen refuelling stations on highly travelled passenger and freight routes along the National Highway System. By March 31, 2018, should all projects be successfully completed, the program will result in 102 new publicly accessible electric vehicle fast chargers, 7 natural gas and 3 hydrogen refuelling stations in seven provinces, surpassing all initial targets.

The Regional Electricity Cooperation and Strategic Infrastructure initiative received \$2.5M and seeks to achieve consensus in regional electricity markets on the most promising electricity infrastructure projects with the potential to transition applicable regions to a lower greenhouse gas (GHG) emission generation portfolio. To achieve consensus, respective regional steering and technical advisory committees oversee a technical and economic simulation study to quantify the costs and GHG-reduction potential for electricity infrastructure projects. Studies are nearing completion and should meet the fiscal-year deadline. In the Atlantic regional study, early consensus was communicated through the 2017 Energy and Mines Ministers' Conference communiqué on a transmission line between Nova Scotia and New Brunswick. Of note, out of the \$2.5M budget, \$940,000 will be distributed through contribution agreements.

Finally, the Federal Infrastructure Initiative (FII) received \$90.7M and will modernize science and research facilities across various locations in Canada. Investments will focus on the residual capital betterments (e.g. deferred maintenance) and laboratory modernizations to recapitalize the department's long-term real property holdings and extend the useful life of assets. Examples of investments include laboratory and facility space renovations, fume hoods and exhaust fans, water systems, and site access and road improvements at the 15 facilities across Canada. The 2016 FII is within budget and on track for completion by the end of 2018–19.

In updating the worksheet provided by your office, the department has indicated that information related to some projects is confidential for operational reasons.

Additional requests for information can be made to Mr. Stephane McNicholl, Manager of Parliamentary Affairs, Natural Resources Canada, by e-mail at stephane.mcnicholl@canada.ca or by telephone at 613-291-4503.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'C. Tremblay', with a horizontal line extending to the right.

Christyne Tremblay
Deputy Minister
Natural Resources Canada

Attachment(s): (1)

c.c.: Ms. Katharine Rechico
Assistant Secretary to the Cabinet
Privy Council Office
Liaison Secretariat for Macroeconomic Policy