Dear Committee Members,

Thank you for providing opportunities to participate in British Columbia’s Budget 2022 consultations.

Thank you as well – to the entire BC Government, Legislature and front-line workers – for the tireless and ongoing efforts to navigate the COVID-19 pandemic protecting BCer’s health and livelihood. As we collectively move forward with a dual focus on ongoing healthcare diligence and economic recovery, your leadership in building a stronger, more resilient and sustainable future that includes everyone is more important than ever.

Through Stronger BC and CleanBC you are driving BC’s transition to a cleaner energy future, building on your long history of climate leadership while creating opportunities for all. Shell agrees that by working with Indigenous peoples, businesses, research and education institutions, and workers, BC can meet the increasing demand for an economy that is productive and forward-looking, while reducing pollution and protecting the climate. BC is one of the world’s most fortunate places in terms of an abundance of natural resources including
BC’s abundance of clean, renewable electricity which is a powerful input to reducing emissions and creating economic opportunity.

Shell recently laid out an ambitious strategy, Powering Progress, detailing how our organization intends to become a net-zero emissions energy business by 2050 in step with society. Becoming a net-zero emissions energy business means being more energy efficient at our operations, delivering lower-carbon energy products and capturing and storing any remaining emissions using technology or balancing them with offsets. It also means transforming our business and seeking out opportunities to provide more low-carbon energy for our customers such as biofuels, hydrogen, electric vehicle charging, and electricity generated by solar and wind power.

We acknowledge the importance of reconciliation in Canada and recognize our activities are linked to the broader truth and reconciliation calls for action. To that end, Shell will strive to positively contribute to reconciliation with Indigenous Peoples and communities in Canada by recognizing Aboriginal and treaty rights, the diversity of Indigenous cultures across the country, and by jointly seeking opportunities to work together for mutual benefit.

Collaboration between industry, government, indigenous communities’ and other stakeholders to define what net-zero looks like for BC, and identify a range of possible solutions, is vital to establish and realize shared climate ambitions. Strong, supportive and predictable policies intended to grow supply and demand for low- and zero-carbon technologies will be instrumental in driving action. Without the right policies in place, the pace of achieving net-zero target adoption and the scale of investment needed to realize those targets won’t happen at the speed needed to meet the 2050 timeframe Canada and others are striving for.

One recent example of the power of collaboration in action is the announcement of the B.C. Centre for Innovation and Clean Energy by the federal and BC government and Shell. The Centre will bring together innovators, industry, governments, and academics to help accelerate the commercialization and scale-up of lower-carbon energy technologies and act as a catalyst for new partnerships and leading innovation to deliver near and longer-term carbon emission reductions.

Shell sees a number of strategic opportunities for further collaboration to support our shared economic and climate objectives.

**Hydrogen**

Shell sees great potential for the use of hydrogen in a range of sectors, from transport to industry. Shell’s ultimate goal is to produce renewable and decarbonized hydrogen. One strength of hydrogen in decarbonized energy systems is the diversity of production pathways and technologies. BC is uniquely positioned to realize its climate and economic ambitions through the development of lower carbon solutions. The recently released Hydrogen Strategy and emerging policies are creating the foundation for BC to be a world leader in developing these solutions.
Collaboration between energy companies, industry players, infrastructure providers and vehicle manufacturers can help accelerate this by creating efficiencies and improving technology. Shell is well-positioned to help provide the infrastructure and fuels needed today and as well as in the future.

**Liquified Natural Gas**
Liquified Natural Gas (LNG) plays a critical role in reducing emissions both at home and abroad. As the leading Joint Venture Participant in LNG Canada, Shell Canada recognizes the importance of delivering an integrated strategy and action plan to realize the next phase of LNG development for British Columbia’s Clean BC Climate Plan. Beyond the potential for B.C. LNG to contribute to global emissions reductions, LNG has a role to play closer to home as a lower-emission replacement for vehicle and marine transportation fuels. In particular, there is opportunity for BC to emerge as an LNG bunkering hub. This is an area in which Shell is active in Asia, USA, Norway, Rotterdam and elsewhere and is prepared to consider in BC should the opportunity present itself.

**Nature Based Solutions**
Shell believes that B.C. has untapped potential for nature-based solutions (NBS) as there is a strong convergence of interests in habitat restoration, Indigenous economic reconciliation and accelerating emissions reductions. Recognizing this potential, Shell has already begun pursuing NBS opportunities in the Province.

In late 2020, Shell and the T’silhqot’in National Government announced a reforestation project in T’silhqot’in territory where wildfires in recent years have significantly impacted the region. The planting of an estimated 840,000 trees will be completed by Central Chilcotin Rehabilitation, a T’silhqot’in owned forestry company. In addition to reforesting land devastated by wildfires, this project has the potential to deliver other benefits, including Indigenous and local employment and improvements in the local ecosystem. Forest restoration will help to re-establish wildlife habitat for animals such as moose and deer that provide sustenance, and plants that can be used in traditional foods and medicines. The project also supports T’silhqot’in community goals for responsible and sustainable management of the lands and resources within T’silhqot’in territory. In future, the project could lead to further economic opportunities through the generation of carbon credits.

Shell is eager to continue working with the Government of B.C. to unlock even more NBS opportunities leveraging the province’s bountiful land and sea carbon sinks.

**Carbon Capture and Storage**
In addition to the Province’s potential for harnessing natural carbon sinks through NBS, Shell envisions opportunity, subject to further geological evaluation, for Carbon Capture and Storage to have a role in reducing emissions from the natural gas and hydrogen value chains. Shell has extensive experience in this area as the developer and operator of Canada’s largest CCS facility.
Shell Quest, located at Scotford, Alberta, has been in operation for five years, and has already sequestered approximately five million tons, at ~30% lower costs than originally envisaged.

**Skills and Employment Training**
The energy transition is already bringing new jobs to the province and will continue to do so. At the same time, the province should work with the private sector, academic and trades institutions to ensure that this transition creates opportunities for indigenous and non-indigenous workers today and in the future. A clear jobs blueprint would help make sure we invest in the right programs early giving the greater opportunity for skills and upskilling in the right places at the right time.

We look forward to working with the Government of British Columbia to build on Shell’s global climate commitments, current presence in B.C. and our rapidly growing, diversified clean energy expertise to set a path towards establishing a cleaner, stronger future with good sustainable jobs in every part of the Province, now and for generations to come.

Sincerely,

Susannah Pierce  
President and Country Chair, Shell Canada