

DATE: March 15, 2023

TO: MAYOR AND COUNCIL

NAME AND TITLE: Deanna Wasnik, Director, Planning and Development

SUBJECT: Proposed Funding Agreement - Hydrogen Hub Development

ATTACHMENT(S): None

RECOMMENDATIONS:

That Council:

1. AUTHORIZES Administration to enter a shared cost arrangement with the Province of British Columbia, represented by the Minister of Energy, Mines and Low Carbon Innovation, Energy Decarbonization Branch, for the development of a regional hydrogen hub as described in the report dated March 15, 2023 from the Director of Planning and Development titled "Proposed Funding Agreement – Hydrogen Hub Development"; and
2. AUTHORIZES the Director of Planning and Development and the Director of Finance and IT Services to sign any necessary funding agreements.

PURPOSE:

For Council consideration.

BACKGROUND:

The B.C. Hydrogen Strategy ("Strategy") was released in July 2021 and outlines the Province's plan to accelerate the production and use of low-carbon hydrogen and establish B.C. as a world leader in the global hydrogen economy. The Strategy includes 63 policy actions that support and promote the production, use and export of hydrogen in B.C. over the next 10 years and beyond.

Developing regional hydrogen hubs – where production and demand are co-located – is an action committed to in the Strategy, which specifically states, "Work with industry partners to establish hydrogen deployment hubs in B.C." in 2020-2025 timeframe.

Prince George has been recognized as an ideal location to kickstart the development of a central B.C. hydrogen hub, with several sources of industrial activity already present in the region. As the main service center for northern B.C. and a significant transportation crossroads, it is well situated to distribute that fuel across 70% of the provincial landmass. An international airport, CN Intermodal terminal, and direct rail connection to the Ports of Prince Rupert and Vancouver all offer ready export access.

DISCUSSION:

The BC Hydrogen Office has approached the City of Prince George to enter a shared cost arrangement where they would allocate \$150,000 of funds from the BC Hydrogen Strategy Implementation budget over two years (ending December 31, 2024) to support the City in achieving the following:

- Permitting case study report
- Investor resources
- Engagement opportunities
- Summary report of lessons learned and recommendations for next steps

The project will have an emphasis on partnership, outreach and engagement, policy improvements, and awareness promotion, with the goal of creating and maintaining momentum to grow the hydrogen economy. Internal capacity will be required for management of this initiative; partnerships and/or any additional funding would be allocated to the expansion of scope or capacity support.

STRATEGIC PRIORITIES:

This project is aligned with myPG Goals, Council's 2023-2026 Strategic Plan, and Economic Development Strategy goals:

- myPG goals
 - Economic Development: Diversified and vibrant economy; Employment diversity and accessibility; International connections; Sustainable business
 - Environment: Green Energy; Reduce Carbon Emissions and Adapt for Climate Change
- Strategic Plan: Economic Diversity and Growth
- Economic Development Strategy: Expand and Support Prince George's Target Clusters

FINANCIAL CONSIDERATIONS:

There is no required monetary contribution from the City of Prince George to access this funding. The funds would be an addition to the current budget.

SUMMARY AND CONCLUSION:

The City has been approached by the BC Hydrogen Office to enter an agreement that would provide funding support to develop a Hydrogen sector hub. The funding is available over two years and contributes to a permitting case study, investor resources, engagement opportunities, and a final report with recommendations.

RESPECTFULLY SUBMITTED:

Deanna Wasnik, Director, Planning and Development

PREPARED BY: Deklan Corstanje, Manager, Economic Development

APPROVED:

Walter Babicz, City Manager

Meeting Date: 2023/3/27