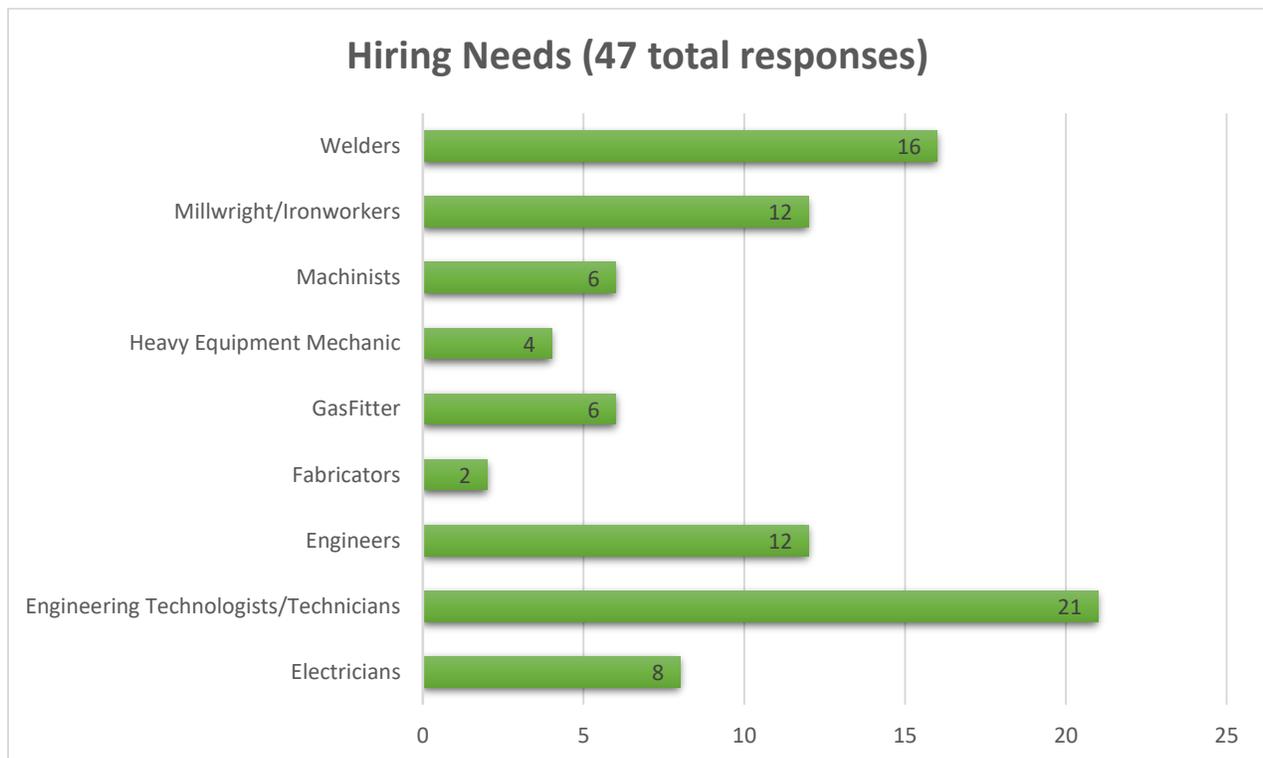


February 1, 2022

Executive Director's Message

As many of you may know, SIMSA carried out a survey in conjunction with Saskatchewan Polytechnique concerning your hiring needs with respect to labour and up-skilling shortages. The survey closed on January 7th, with a total of 47 responses. We appreciate everyone that took time to respond to the survey.

The following chart is a brief summary of the results – the number of companies requiring specified skills/persons. Only jobs with more than 1 response were included. As an example, we now know that at least 16 companies require welders.



Given the above, we will be performing a follow-up survey to get a more detailed outlook of your needs. We will then work with the training institutions on alleviating any shortages.

The 2022 Saskatchewan Mining Supply Chain Forum (MSCF) is scheduled for April 26 and 27, 2022 at Prairieland Park in Saskatoon. A purely virtual event option is not being considered – it will either be an in-person event with a socially-distanced tradeshow and presentations (with a virtual participation option for viewing the presentations), or not happen at all.

The final decision on whether the 2022 MSCF will go ahead or not, will be made on March 7th – this is dependant upon the COVID 19 status/forecast at that time.

In order to accommodate the March 7th decision date, we are enacting the following plan:

- Sponsorship
 - We will be taking “bookings” for sponsorship (go [HERE](#) for packages);
 - beginning February 1 (today) from SIMSA members
 - beginning February 15 from non-SIMSA members
 - with actual sponsorship invoicing will occur early in the week of March 7, with payment due within 14-days.
- Sales
 - We will begin sales of tradeshow booths and event tickets;
 - beginning March 8 to SIMSA members
 - beginning March 15 to non members.
 - Costs will be as follows;
 - 10x10 tradeshow booths will cost \$900 (with limited availability)
 - outdoor display spaces will cost \$900
 - in-person attendance tickets will cost \$275 (\$500 if registered after April 11)
 - virtual attendance will cost \$250 (presentations only – no tradeshow).

For MSCF details go [HERE](#).

We will be re-running the “How to use your SIMSA membership” session in late February. In the mean time, you can download the presentation and watch an archive of the Fall 2021 session [HERE](#). Topics covered included how to: complete your database profile, use our carbon calculator, participate in our events, use the news-items we send to our members, utilise the newsletter, utilise our “Lunch and Learn” events, have us assist with contract/bid issues, access the boutique services we can offer; and learn a bit about who we are, what we do and why, etc.

Eric

Advocacy

James Bulmer, SIMSA's industrial concierge, has dug into the Government of Saskatchewan's news release ([HERE](#)) on the Output-Based Performance Standards (OBPS) for the carbon tax.

He has the following to report:

The OBPS provides an exemption of the carbon tax on your consumption charges, such as natural gas or propane, but does not cover electricity or fuel consumed on public roads.

This program applies to trade-exposed companies, i.e. those who produce a product for sale either internationally or domestically and are competing against companies who are not subject to a carbon tax. The program does not apply to the service/construction industries. The goal of the program is to limit any market disadvantage that could potentially lead to carbon leakage.

Facilities registered under the OBPS are subject to emissions intensity reduction requirements and reporting requirements. Reporting requirements include:

- A baseline submission within 6 months of registration; and
- Annual emission returns for the first two compliance years and bi-annually thereafter.

Each submission must be verified by an accredited verifier who will confirm that the emissions and production have been quantified accurately and appropriately. The estimated cost of verifications ranges from \$10-\$30k/submission, depending on the complexity of the verification.

Table 1 (below) from the [Regulations](#) outlines the emissions intensity reductions that are required each year, depending on the sector. Emissions intensity is calculated as the annual emissions divided by the total production for that year. Total production is defined by product and not revenue. For example, machines created, potash, wood pulp, etc.

APPENDIX

**Table 1
Performance Standard Allocation**

Sector <i>Column 1</i>	Reduction Period <i>Column 2</i>											
	1	2	3	4	5	6	7	8	9	10	11	12
Mining	.9958	.9917	.9875	.9833	.9792	.9750	.9708	.9667	.9625	.9583	.9542	.9500
Iron and steel mills	.9958	.9917	.9875	.9833	.9792	.9750	.9708	.9667	.9625	.9583	.9542	.9500
Fertilizer manufacturing	.9958	.9917	.9875	.9833	.9792	.9750	.9708	.9667	.9625	.9583	.9542	.9500
Pulp mills	.9958	.9917	.9875	.9833	.9792	.9750	.9708	.9667	.9625	.9583	.9542	.9500
Ethanol manufacturing	.9958	.9917	.9875	.9833	.9792	.9750	.9708	.9667	.9625	.9583	.9542	.9500
Grain and oil-seed processing	.9958	.9917	.9875	.9833	.9792	.9750	.9708	.9667	.9625	.9583	.9542	.9500
Char production	.9958	.9917	.9875	.9833	.9792	.9750	.9708	.9667	.9625	.9583	.9542	.9500
Activated carbon production	.9958	.9917	.9875	.9833	.9792	.9750	.9708	.9667	.9625	.9583	.9542	.9500
Refining and upgrading of petroleum	.9917	.9833	.9750	.9667	.9583	.9500	.9417	.9333	.9250	.9167	.9083	.9000
Upstream oil and gas stationary fuel combustion ¹	.9875	.9750	.9625	.9500	.9375	.9250	.9125	.9000	.8875	.8750	.8625	.8500
Other sectors ^{2,3}	.9917	.9833	.9750	.9667	.9583	.9500	.9417	.9333	.9250	.9167	.9083	.9000

¹Upstream oil and gas sector includes straddle and gas processing plants

² Other sectors include any other sector as identified in an applicable standard.

³ The listed reduction periods for other sectors apply unless otherwise established in an applicable standard or by order of the minister

13 Dec 2019 SR 91/2019 s26.

For example, a 0.9500 performance standard allocation in year 12 indicates that a 5% reduction in the baseline emissions intensity is required by compliance year 12. The 5% reduction is distributed over 12 years to allow time for regulated emitters to make the operational changes that may be required.

The news release indicated that 5 new sectors were added to the OBPS: “chemical manufacturing, wood product manufacturing, mineral product manufacturing, agricultural and industrial equipment manufacturing, and food and beverage processing”. These sectors are all subject to a 0.9500 performance standard allocation, or a 5% emissions intensity reduction requirement over 12 years.

If a facility does not meet the required emissions intensity reductions each year, a compliance fee is owed which is equal to the carbon tax fee multiplied by the volume of emissions over the allocation for that compliance year. Taking the 0.9500 performance standard allocation in year 12 as an example, and assuming no reductions in emissions intensity were made, the facility would pay a compliance fee equal to 5% of their emissions multiplied by the carbon tax fee for that year.

To apply you must meet all criteria:

- Those who produce a product for sale either domestically or internationally; and
- Those with market competitors who are not subject to a carbon tax.

Facilities should ensure there is a benefit to registering by comparing the annual cost of their consumption carbon tax (such as natural gas or propane, not including electricity or fuel consumed on public roads) to the potential fees associated with consulting and/or verification plus any potential compliance fees.

If you are interested in more information, you can reach out to James Bulmer at james.bulmer@irdinc.com or contact the ministry directly at: OBPSENV@gov.sk.ca

Members' News

[April 5th Has Been Set for a Hybrid Event to Introduce MICA to Our Region - SaskPolytech](#)

[IMII celebrates 10 years of innovation](#)

[HCC Mining & Demolition Surpasses 5 Year Lost Time Injury Free Milestone](#)

[Meet Muhammad Imran, Vice-President of SRC's New Rare Earth Processing Facility](#)

[Native American communities receive renewable drinking water technology through Resolution Copper and Stantec](#)

[SaskPolytech Announces MICA Call for Proposals is Due Out Early February](#)

[Stantec and FHQ Developments Ltd. create Indigenous Consulting partnership in Saskatchewan](#)

[Sun, Wind and Storms: 2021 Weather Highlights for Saskatoon - SRC](#)

[Team Power Solutions Congratulates Our 5 and 10 Year Service Award Recipients](#)

[Team Power Solutions Supports Saskatchewan Polytechnic Students](#)

Sector News

Global events over the past year have refreshed our memories that we do not work within a Canadian let alone Saskatchewan bubble. World events impact us more than national events.

The world's displeasure with the Belarus Governments' actions has led to sanction against their potash sector. Given Belarus produces about 20% of the world's supply, these sanctions cause potash prices to escalate and cause supply disruptions, and thus increase sector activity in Saskatchewan.

Further, there was political protests in Kazakhstan (some have even called it an attempted coup). This led to talks of uranium price escalations due to fears of supply disruptions, given they produce 40% of the world's supply.

Also, China had almost complete domination of global rare earth production – minerals critical in the creation of all things high-tech, green, and advanced weapons. Given China's political record and the just common-sense notion of supplier diversification, Saskatoon is seeing the development of two processing facilities.

And then there is oil – a geopolitical currency. Supply, demand, and global politics have seen prices rise to levels not seen for seven years (see below). Once again, we thus increase sector activity in Saskatchewan.

Crude Oil WTI (NYM \$/bbl) Front Month

ADD TO WATCHLIST



But what happens if Russia invades Ukraine? Will there be sanctions against Russian potash production – which is far bigger than Belarus'? What about oil prices, supply, sanctions, and cut-offs - Russia supplies about 30 per cent of Europe's oil and 35 per cent of its natural gas? Other key commodities would also be hit by either war itself, or by sanctions, with Russia the world's biggest wheat grower and Ukraine in around the top five.

Upcoming Events

Register for Upcoming Events [HERE](#)

- **DEMOday – Learn from the Subject Matter Experts at Nutrien! – February 3, 2022**
As part of SIMSA’s partnership with the IMII, Nutrien has offered to participate in an event on several of the DEMOday 2022 needs.
- **Aboriginal Awareness Seminar – February 9, 2022**
A half-day seminar that helps to explain today’s reality for First Nations and Metis people. This event will now be held virtually.
- **Speak with greater influence! - A Speak2Impact workshop – February 15, 2022**
SOLD OUT!! Learn how to influence, impact and inspire from the best speakers in the world; from a person whose clients include: Coca-Cola, Walt Disney, Rolls Royce, Lloyds of London, NATO, Intel, Harrods, Facebook, S&P Global, and Google.
- **Speak with greater influence! - A Speak2Impact workshop – March 2, 2022**
Learn how to influence, impact and inspire from the best speakers in the world; from a person whose clients include: Coca-Cola, Walt Disney, Rolls Royce, Lloyds of London, NATO, Intel, Harrods, Facebook, S&P Global, and Google.
- **Lunch & Learn: The Carbon-Reduction/Energy Efficiency Landscape – March 10, 2022**
As part of SIMSA’s initiative to assist our members with their carbon needs, James Bulmer will present on carbon-reduction/energy efficiency for suppliers, using SIMSA’s carbon calculator, and the current trends facing the industry.
- **Lunch & Learn: Digitization/Innovation in Mining – March 31, 2022**
As part of SIMSA’s initiative to assist the IMII and their mineral company members in fulfilling their innovation needs, James Bulmer will present on the current digitization/innovation trends and opportunities in the industry.

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