

April 9, 2014
Wednesday

8:00 AM - 9:00 AM

8:00 Meeting with Geoff Morrison (CAPP) -- EAO R 2nd Floor Large Boardroom EAO:EX

Not Responsive

Pages 2 through 5 redacted for the following reasons:

Not Responsive

Key Actions

- Review Reviewable Projects Regulation to eliminate projects where significant adverse effects unlikely and sufficient regulatory processes
 - Reduces number of projects subject to EA process
- Where EA required, tighten focus and scope of EA on key issues where significant adverse effects most likely

Key Actions

- Working with industry and based on past EAO experience, develop “up-front” guidance on common issues, information and studies required for EA
 - Focus on LNG and Mining sectors
 - Allows proponents to be better prepared for the process
- Work with permitting agencies for seamless regulatory process (EA permitting; FN Consultation; C&E)
 - MOU with OGC
 - Improving authorization process (Mining; other major projects)

Page 8 redacted for the following reason:

Not Responsive

Tracking #: OIC 14-06

Leg Council #: R/206/2014/10 and R/235/2014/10

Date: March 24, 2014

To: The Honourable Mary Polak
Minister of Environment

Re: **Amendments to Reviewable Projects Regulation**

The attached amendments to the Reviewable Projects Regulation will:

- 1) Exempt sweet natural gas processing facilities from environmental assessment requirements effective April 28, 2014; and
- 2) Repeal requirements for resorts (ski and all season resorts) from environmental assessment requirements, except for projects currently under review, effective January 1, 2015.

The package includes:

- Two Cabinet Summary Information documents (1 per each Order in Council);
- a Sign-off Sheet;
- Two s.14, s.12 Orders in Council;
- Two Distribution Forms;
- speaking notes; and
- a Regulatory Criteria Exemption Form

If you have any questions about the package, please contact Paul Craven, Executive Director, Policy and Quality Assurance Division, EAO, at 250-387-6748. Otherwise, would you please sign the OICs where indicated and arrange to have the package delivered to Cabinet Operations.

If requested, I will arrange to have you fully briefed on these OICs before they are considered by Cabinet.

s.14, s.12

s.14, s.12

Despite the difference in effective dates, the OICs should be considered together.

Thank you.



Doug Caul
Associate Deputy Minister



Cabinet Submission – Request for Decision

Minister: Honourable Mary Polak

Ministry: Environment

Date: November 27, 2013

Ministry Document #: 13-35

Title: Environmental Assessment Office proposed workplan to meet the commitment to review environmental assessment.

Issue:

Reviewable Projects Regulation Changes: Environmental Assessment Office (EAO) has proposed a workplan to meet the commitment to review environmental assessment (EA) in BC. Early deliverables include proposed regulatory changes to exempt certain types of projects from an EA.

Request:

As a key deliverable in the workplan, EAO is seeking approval to proceed with exemptions for sweet natural gas processing plants and resorts from EA requirements.

Implications and Considerations:

s.12

Background / Context:

The Minister of Environment's July 2013 mandate letter from the Premier includes a commitment to review EAO and ensure timelines are appropriate for both economic development and environmental protection objectives and making recommendations for improvement as necessary.

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As an early deliverable, EAO is seeking to make initial changes to British Columbia's Reviewable Projects Regulation (BC Reg. 720/02) in early 2014.

Phase 1 Regulatory Changes

Proposed Phase 1 Changes to the Reviewable Projects Regulation

Projects that are subject to an EA are determined by the Reviewable Projects Regulation (RPR). The regulation currently sets thresholds of:

- 5.634 million m³/day (200 MMcf/day) for all natural gas processing plants, and
- 2000 or more bed units (of which 600 or more are commercial) for resorts.

In most cases, reviewable projects cannot proceed to permitting and construction until project effects are mitigated and a certificate is awarded.

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Sweet Natural Gas Processing Facilities

Current natural gas production in BC is approximately 3.5 billion cubic feet.

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Page 12 redacted for the following reason:

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Resorts

Part nine of the Reviewable Projects Regulation specifies EA thresholds for all season resorts/ski resorts, golf oriented resorts and marina resorts. Three resort projects have received certificates under the current *Environmental Assessment Act*. A further two projects were exempted from certificate requirements.

The Ministry of Forests, Lands and Natural Resource Operations, (FLNR) Mountain Resorts Branch administers the Resort Master Plan review process. The Resort Master Plan sets out a detailed plan of proposed real estate development that is to occur within a resort area and provides technical and management information necessary to support the sustainable development of the resort.

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Pages 14 through 15 redacted for the following reasons:

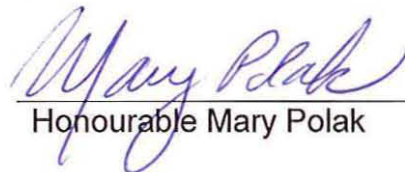
s.12



s.12

Contact:

Paul Craven
A/Executive Director, Policy and
Quality Assurance
250 387-6758


Honourable Mary Polak

12.04.13

Date Signed

Attachments: Work Plan- Mandate Letter Review of the Environmental Assessment
Office

Pages 17 through 18 redacted for the following reasons:

Not Responsive

Work plan - Mandate Letter Review of the Environmental Assessment Office (EAO)

December 4, 2013

Phase 1 - 2013/2014 Fiscal Year

- Non-legislative initiatives that can: be completed in the short term; provide the greatest impact; and do not require additional time for more in depth policy work and/or extensive consultation.
- Begin work/consultation in preparation for latter phases of the review including development of clear articulation of EAO's desired "Future State"; and EAO Modernization. Additional specific actions and deliverables may arise from this work.

Action/Deliverable	Description/Scope of Work Required	Type	Linkages to Future State	Target Implementation Date
Not Responsive				
2. Amend the Reviewable Projects Regulation to focus EAO on proposed projects where significant adverse effects and where there are not already sufficient review processes.	s.12	Regulatory Change	EAO Efficiency and Effectiveness	February 2014

Pages 20 through 26 redacted for the following reasons:

Not Responsive

Order in Council
Cabinet Summary Information
Cab Ops Template: March 2012

Ministry: Environmental Assessment Office

Date Prepared: March 20, 2014

MoE #: 14-06

Log #: R/206/2014/10

Section	Detail
1. Type of OIC:	<input type="checkbox"/> BRDO appointment* <input type="checkbox"/> Non-BRDO appointment <input type="checkbox"/> Not a regulation <input checked="" type="checkbox"/> Regulation - provide Regulatory Count: 0
2. Routine or For Attention:	<input type="checkbox"/> Routine <input checked="" type="checkbox"/> For Attention because (select all that apply): <input type="checkbox"/> REQUIRES DISCUSSION <input type="checkbox"/> CONTROVERSIAL <input checked="" type="checkbox"/> REVISES POLICY
3. Required Effective Date (Select all timing constraints that apply. Include Rationale.)	<input type="checkbox"/> No Timing Requirements RUSH - Cabinet approval is requested / required by <u>April 23, 2014</u> because (check all that apply): <div style="text-align: right; color: red;">s.14</div> <div style="text-align: right; color: red;">s.14</div> <div style="text-align: right; color: red;">s.12</div>

* For Board Resourcing Development Office ("BRDO") appointments, no need to fill out rows 7 through 12. However, along with the tagged OIC, please provide the Biography and signed-off Request for Appointment (BRDO documents).

<p>7. Fiscal Management Considerations</p> <p>s.12</p>	<p>s.12</p>
<p>8. Legislative Counsel Cautions (yellow or red tags) Please speak to each concern expressed.</p>	<p>s.12, s.14</p>



Associate Deputy Minister

March 24, 2014

Date Signed

Contact Name: Paul Craven
Title: Executive Director,
Policy and Quality Assurance
Phone Number: 250-387-6748

Prepared By: Kashmiro
Cheema
Phone Number: 250-356-5305

Attached Appendices:

- ☒ Distribution Form
- ☐ Regulatory Criteria Checklist
- ☒ Regulatory Criteria Exemption Form
- ☐ Map(s)
- ☐ Other:

Speaking Notes

Re Amendments to Tables 8 and 15 of the Reviewable Projects Regulation

- The first OIC will amend Table 8 and will exempt sweet gas processing facilities from the environmental assessment process. The amendments do not affect existing certificates. An existing project—Farrell Creek Gas—will no longer be reviewable once this amendment takes place.
- Sweet gas facilities are regulated by the BC Oil and Gas Commission and are not subject to an environmental assessment in other jurisdictions except New Brunswick, which reviews the industry in phases from exploration through to production.
- The second OIC will amend Table 15 and will repeal requirements for ski and all season resort projects to undergo environmental assessment. These changes will take effect January 1, 2015. After that date, all new and expansion projects will be reviewed through the Resort Master Plan process (Ministry of Forests, Lands and Natural Resource Operations).

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BC-New Facility	Alberta	New Brunswick	CEAA (current)	CEAA (expected amendments for 2013)
<p>Natural gas processing plants:</p> <p><5.634 million m³ / day processing rate and will result in sulphur emissions to the atmosphere of ≥ 2 tonnes / day</p> <p>Or</p> <p>Design capacity to process natural gas at a rate of ≥ 5.634 million m³ /day</p> <p>Expansion: meet new project requirements and an incremental increase in sulphur emissions to ≥ 2 tonnes / day or change in design capacity to be ≥ 5.634 million m³ /day</p>	<p>Exempt if emits < 384 kg of nitrogen per day</p> <p>Reviewable if emits > 2.8 tonnes of sulphur / pay</p>	<p>All commercial extraction or processing of combustible energy yielding materials</p>	<p>a sour gas processing facility with a sulphur inlet capacity of more than 2000 t/d; expansion by 35%</p>	<p>a sour gas processing facility with a sulphur inlet capacity of more than 2 000 t/d; expansion by 50% or more and total production capacity of 2000 t/d</p>

Notes: Alberta trigger is 33% higher for sulphur emissions than BC. However, Alberta is the highest emitting province for sulphur oxide emissions (27% share of national emissions), due to the concentration and contributions of the oil and gas industry (25% of national emissions). British Columbia is among the lowest emitting provinces. <http://www.ec.gc.ca/indicateurs-indicators/default.asp?lang=en&n=402A9845-1>

The unique and sensitive air sheds of British Columbia are justification for more stringent EA requirements.

ENVIRONMENTAL ASSESSMENT OFFICE DECISION NOTE

Date: November 27, 2013

File: 30050-ENER

CLIFF/ #:103308

PREPARED FOR: Doug Caul, Associate Deputy Minister, Environmental Assessment Office (EAO); Paul Jeakins, Commissioner, Oil & Gas Commission (OGC); Steve Carr, Deputy Minister, Ministry of Natural Gas Development (MNGD)

ISSUE: Whether to modify the regulatory process for sweet natural gas processing plants required to supply the Liquefied Natural Gas (LNG) industry.

BACKGROUND:

Current natural gas production in BC is approximately 3.5 billion cubic feet. If approved, the three LNG export facilities in the environmental assessment (EA) process would require an additional 9.5 billion cubic feet of natural gas from BC. To meet the LNG demand, approximately 26 - 45 natural gas processing facilities would be required.¹ This demand could result in an 80% increase in projects in EA over the next two years.

The Reviewable Projects Regulation (B.C. Reg. 370/2002) under the *Environmental Assessment Act* requires EAs for facilities that process more than 200 mmcf² of natural gas and emit more than two tonnes/day of sulphur to the atmosphere.³

The Canadian Association of Petroleum Producers (CAPP) has stated that industry has an incentive to build more facilities under the EA threshold to avoid a lengthy regulatory process. EAO and OGC have some evidence that this activity may already be occurring.

On a recent site tour with CAPP representatives, industry decisions regarding the size and composition of projects was clarified to be driven by a complex range of factors, some of which include: commodity market prices; composition of gas and specific processing needs; geography (e.g. Montney gas play requires more linear development and therefore smaller facilities); and road access, among others. Industry's primary objective in seeking regulatory clarity is to ensure that they have the flexibility to make investment and facility expansion decisions that make sense for the specific site being considered and that are reflective of market conditions.

¹ Depending on capacity: 400 million cubic feet/day (mmcf²) or 200 mmcf² respectively.

² 200mmcf² = 5.634 million m³/day

³ Thresholds established in the Reviewable Projects Regulation were last revised in 1998.

The purpose of this briefing note is to seek early direction from responsible agency leaders to focus analysis and action by staff to drive regulatory framework issues to resolution. A Working Group of responsible agencies (EAO, OGC, MNGD and Ministry of Environment) is consulting with industry on the issue of gas plant proliferation and impacts on the land base.

DISCUSSION:

Responsible agencies have been using the following criteria when considering options for managing the anticipated proliferation of natural gas processing facilities entering EA:

- Incentive for industry to build fewer and larger facilities to reduce surface land impacts;
- Maintain the integrity of the regulatory processes while shortening the duration of review;
- Provide greater certainty and transparency for proponents and participants in the regulatory process; and
- Reducing or eliminating duplication between EAO and OGC.

Scoping of options was limited to sweet⁴ natural gas processing facilities in order to:

- Ensure consistency with other jurisdictions including Alberta and Canada;
- Sour gas facilities⁵ produce air emissions that would likely require an EA regardless of plant production capacity; and
- Sweet natural gas processing facilities are a proven technology with a relatively small footprint that can be fully remediated on closure.

Following preliminary analysis and discussion, the following options are *not* supported by agency staff as they do not meet the criteria specified above:

- EA class assessment for facilities in the Montney Basin (does not provide incentive to industry, nor predictability/timeliness of process);
- Equivalency agreement with the OGC (does not streamline process and creates resourcing challenges for OGC); and
- Status quo.

Responsible agencies are of the view that modifying EAO's trigger for sweet natural gas processing plants in conjunction with adjustments to existing OGC processes would achieve the criteria noted above⁶.

⁴ Sweet natural gas refers to natural gas that contains either zero or trace amounts of hydrogen sulphide which does not require removal to meet transmission pipeline specifications.

⁵ Sour gas contains larger amounts of hydrogen sulphide that can cause significant human health issues and risks.

⁶ Spectra exempted from EA spring 2013, Encana currently being reviewed for exemption from EA requirements, and Shell considering an exemption – all on plants 400 mmfcd. (Exemption based on determination of no significant adverse effects).

Legislative or policy direction from the relevant agencies to mitigate potential effects related to greenhouse gas⁷ (GHG), air quality emissions and health impacts would be considered by any agency responsible for conducting reviews of proposed projects.

Recommended Option: EA Regulation change and enhanced OGC process

EAO's Reviewable Projects Regulation could be amended to increase the trigger for sweet natural gas processing facilities from 200 mmcf to 400 mmcf (or greater), or removed entirely. OGC legislation could be enhanced to capture key components of the EA process that are consistent with its regulatory regime.

Implications would include:

- Significant timeline savings to industry;
- Allows EAO to focus review on projects with potential for significant adverse effects;
- Eliminates unnecessary overlap between EAO and OGC regulations and processes;
- May require minor changes to existing OGC regulations (e.g. consultation and notification); and
- EA Regulation changes would likely be controversial with First Nations, Environmental Non-Government Organizations, and the public and may be perceived as a relaxation of the regulatory regime (however, it should be recognized that most gas processing and associated effects are currently regulated outside the EA process. This would continue to be the case in the absence of any change to the Reviewable Projects Regulation).

NEXT STEPS:

With direction from agency leaders on whether to pursue regulatory change, staff will continue to engage CAPP. An options paper and supporting implementation material will be developed and presented to Ministers for decision in December 2013. Government will maintain independence on presenting and deciding on the most suitable option.

ATTACHMENTS: Appendix 1: Comparison of EA Thresholds for Natural Gas Processing Plants

Contact :

Name: Trish Balcaen
Title: Executive Project Director
Phone: 250-952-6507

Prepared by:

Name: Trish Balcaen
Title: Executive Project Director
Phone: 250-952-6507

⁷ The Horn River Basin has a 12% CO₂ content versus the Montney with approximately 2.0-2.5% CO₂ content. EAO found a significant adverse residual effect due to greenhouse gas emissions for facilities proposing to process gas from the Horn River Basin.

Reviewed by	Initials	Date
<i>Associate Deputy Minister</i>		
<i>A/ED PQA</i>	PC	Nov. 26
<i>A/ELO</i>	SB	Nov. 12
<i>EPD</i>	TB	Nov. 6
<i>ED</i>	PC	Nov. 7
<i>OGC (James O'Hanley)</i>	JOH	Nov. 7
<i>MNGD (Aaron Nelson)</i>	AN	Nov. 7
<i>MOE (Anthony Danks)</i>	AD	Nov. 7

Appendix 1: Comparison of EA Thresholds for Natural Gas Processing Plants

BC-New Facility	Alberta	New Brunswick	Canada (former - 2012)	Canada (as of October 24, 2013)
<p>Natural gas processing plants:</p> <p><5.634 million m³ / day processing rate and will result in sulphur emissions to the atmosphere of ≥ 2 tonnes / day</p> <p>Or</p> <p>Design capacity to process natural gas at a rate of ≥ 5.634 million m³ /day.</p> <p>Expansion: meet new project requirements and an incremental increase in sulphur emissions to ≥ 2 tonnes / day or change in design capacity to be ≥ 5.634 million m³ /day.</p>	<p>Exempt if emits < 384 kg of nitrogen per day.</p> <p>Reviewable if emits > 2.8 tonnes of sulphur per day.</p>	<p>All commercial extraction or processing of combustible energy yielding materials.</p>	<p>a new sour gas processing facility with a sulphur inlet capacity of more than 2000 t/day.</p> <p>An expansion that would result in an increase in production capacity of more than 35% of a sour gas processing facility with a sulphur inlet capacity of more than 2,000t/day.</p>	<p>A new sour gas processing facility with a sulphur inlet capacity of 2 000 t/day or more.</p> <p>Expansion of an existing sour gas processing facility that would result in an increase in sulphur inlet capacity of 50% or more and a total sulphur inlet capacity of 2,000 t/day or more.</p>

Natural Gas Processing Plants – Evolving Thresholds and Rationale

Summary Table of Reviewable Projects Regulation 1995-1998		
Year	New natural gas processing plant	Modification of natural gas processing plant
1995	Any new energy facility	An increase of: <ul style="list-style-type: none"> • 3 petajoules or more/year of energy processed
1997	Production capacity of : <ul style="list-style-type: none"> • >2.817 million m3/day; or • <2.817 million m3/day and >2.0 tonnes/day sulfur or 	An increase of: <ul style="list-style-type: none"> • >2.817 million m3/day
1998	Production capacity of: <ul style="list-style-type: none"> • >5.634 million m3/day or • <5.634 million m3/day and >2,0 tonnes/day sulfur 	An increase of: <ul style="list-style-type: none"> • >5.634 million m3/day or • >2.0 tonnes/day sulfur

Rationale for 1995 thresholds

- 1995 thresholds applied generally to facilities that use, convert or process energy resources.
- Thresholds essentially the same as those set out in the B.C. *Utilities Commission Act*, which reviewed energy projects prior to the Environmental Assessment (EA) Act.
- Thresholds based on the quantity of energy involved in the project (petajoules).
- Originally designed in a time of perceived energy shortages when government wanted to ensure control over energy resource development; intention not focussed on projects with potential significant environmental impacts.¹

Rationale for 1997 thresholds

- Evaluation of EA found most natural gas plant projects to be low-impact in comparison to other projects being reviewed.
- RPR amended to include specific thresholds for natural gas processing plants.²
- New thresholds based on a combination of sulphur emissions and plant throughput.
- Intention was to capture processing plants with the potential to produce significant sulphur emissions as well as plants of a large scale regardless of associated sulphur emissions.

Rationale for 1998 thresholds

- Most extensive revisions to RPR enacted in November 1998 as part of the government's response to an independent evaluation of the EA process after its first 2 years.

¹ BC Environmental Assessment Office (1997) "On Revising the Thresholds set out in the *Environmental Assessment Act* 'Reviewable Projects Regulation' for Natural Gas Processing Plant Projects" (Discussion paper, August 1997). Earlier proposal for Reviewable Projects Regulation (RPR) recommended specific thresholds for both sweet gas processing plants (processing of 3 PJ energy or more per year) and sour gas processing plants (emission of more than 2.8 tonnes of sulphur per day) but were not utilized at this time ("Promoting Sustainability: Proposals for an Environmental Assessment and Project Review Act for BC").

² OIC 1316, BC Reg. 276/95 - section 28.1 amended to include "Natural Gas Processing Plants."

- Thresholds for natural gas processing plants revised with intent to remove projects where issues could be addressed by permitting processes.
- Oil and Gas Commission (created earlier in 1998) takes over regulation of smaller natural gas processing plants.

BC-CAPP Working Group on Natural Gas Processing Plants

February 11, 2014


2:00-4:00

2nd Floor Boardroom 836 Yates Street, Victoria BC

Michelle Schwabe (MNG); Lisa Paquin (MoE); Anthony Danks (MoE); Sherry Sian (CAPP); Nadia Monaghan (CAPP); James O'Hanley (OGC); Erin Scraba (EAO); Paul Craven (EAO)

Record of Discussion:

- CAPP presented the working group with its recommendation for a preferred alternative for sweet natural gas processing facilities.
- Once in receipt of finalized submission, government members of the working group to lead on seeking formal direction on request from CAPP.

Action Items	Lead	Status
Jurisdictional review of global leaders in environmental regulation on natural gas production, with suggested focus on shale gas producing states in Northeast USA.	CAPP	Update from CAPP on February 21
Receive update on progress of human health risk assessment project in NE BC through Spring 2014. Government members to consider timing and scope of Phase 2 risk assessment as part of review process	MNG	Phase 1 report is complete. http://www.health.gov.bc.ca/library/publications/year/2012/Identifying-health-concerns-HHRA-Phase1-Compendium.pdf Northern Health Authority has also released a fact sheet identifying health and social impacts from resource development  10-410-6073 Health Impacts from Resourc
Confirm if any environmental assessments have ever occurred in Alberta as a result of the NOx trigger	EAO	
CAPP to confirm opportunities for enhanced Responsible Corporate Reporting	CAPP	
Confirm forecast of new facility applications	CAPP	
Receive final version of CAPP recommendations reflecting feedback from working group	CAPP	Received February 12, 2014
Provide progress update, where possible, on status of next steps	EAO	

BC EA Process for Sweet Gas Plants

CAPP Recommendation for a Preferred Alternative Solution

January 2014

Page 43 redacted for the following reason:

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- **Context:**

- Natural Gas production in BC predicted to increase substantially to meet demand for LNG export
- Government review underway to ensure timelines are appropriate for environmental protection, while providing a clear, timely and robust regulatory regime

- **Review Objectives:**

- Identify preferred alternative solution to the existing EA requirement for sweet natural gas processing plants, with the outcome providing:
 - EA process integrity
 - Regulatory certainty enabling efficient development of natural gas in BC

- **Baseline Assessment**

- Reviewed existing EA process for sweet gas plants: process and outcomes achieved
- Examined policy and regulatory environment applicable for sweet gas plants
- Comparative analysis to identify area of overlaps and gaps
- Jurisdictional review

- **Analysis of Alternative Options**

- Review of potential alternatives, testing for the desired outcomes (environmental integrity, regulatory certainty)

Baseline Assessment Key Conclusions

- Recent sweet gas plants projects reviewed determined absence of potential adverse effects:
 - Will not result in significant adverse environmental, economic, social, heritage or health effects
 - Will have not impact treaty rights of the First Nations
- Robust OGC regulatory framework in place, aligning with the EA assessment and mitigation framework
 - Values align with the EA process, precluding a gas plant from having a material adverse effect
 - Permitting process requires public consultation/notification, and consideration for Aboriginal and First Nations impacts
 - Supplemented by anticipated cumulative effects policy (FLNRO and OGC Area Based Analysis frameworks), linking cumulative effects to the OGC's decision making

- **Oil and Gas Commission (OGC) - Must consider the Government of British Columbia's environmental objectives when determining whether requirements are met to issue a permit under *OGAA*.**
 - Requirements and/or permitting under:
 - OGAA, Consultation & Notification Regulation, Environmental Protection and Management Regulation, Waste Discharge Regulation, Heritage Conservation Act, Water Act, Forest Act, Land Act
- **Other Provincial / Federal Agencies with oversight:**
 - FLNRO – Wildlife Act, Weed Control Act, Cumulative Effects Framework
 - BC Ministry of Health – Drinking Water Act, Health Act
 - Worksafe BC – Occupational Health and Safety Regulation
 - Agricultural Land Commission – Agricultural Land Commission Act
 - Federal – Species At Risk Act, Migratory Birds Convention Act, Fisheries Act

Enhanced Cumulative Effects Management Frameworks Underway



- New cumulative effects management will effectively:
 - Address broader issues associated with assessing cumulative effects in natural resource decision-making
 - Support assessment of cumulative impacts to First Nations rights and interests
- Provincial cumulative effects frameworks underway:
 - Ministry of Forests, Lands and Natural Resource Operations – cross-sector, area based
 - OGC Area Based Analysis – for all oil and gas activities

Pages 49 through 50 redacted for the following reasons:

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- **CAPP preferred alternative solution provided for EAO consideration**
- **Available for additional consultation / meetings as requested**



CANADIAN ASSOCIATION
OF PETROLEUM PRODUCERS

DRAFT Evaluation of Environmental Assessment Process for Gas Plants

October 2013

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1 Introduction

The province of British Columbia is the holder of a world class natural gas resource. Natural gas production is predicted to increase substantially to meet demand for LNG export. With aspirations of becoming a global leader in natural gas development and export, the Government of British Columbia is interested in exploring options to address the potential increase in production to prevent unnecessary impacts on the land base, while providing a clear, timely and robust regulatory regime.

This discussion document was prepared by the Canadian Association of Petroleum Producers (CAPP) to summarize the current environmental assessment (EA) process, regulatory requirements, as well as overlaps and gaps between the EA process and regulatory requirements for gas plants in order to identify opportunities for reform. This discussion paper is intended to provide an industry perspective on options to existing EA requirement for natural gas processing plants in order to achieve:

- Regulatory certainty enabling efficient development of natural gas in British Columbia, and
- An alternative process that meets both the EA objectives and Ministry of Environment mandate to “ensure timelines are appropriate for both economic development and environmental protection...”.

2 Rationale for Process Reform

The CAPP new market opportunity case for natural gas development forecasts approximately 5 to 6.5 Bcf/d in the Montney and Horn River plays combined. The current gas plant capacity is approximately 3.5 Bcf/d. Therefore it is expected that unprecedented infrastructure growth is a reality if BC is to deliver on proposed LNG facilities.

The current EA trigger for natural gas processing plants, set at 200 MMcf/d, is based solely on plant capacity. This trigger creates challenges for the efficient development of BC’s upstream natural gas resource and therefore poses a risk to delivery of natural gas for LNG projects. The incremental resources, required from both government and industry, and additional timing required for completion of an EA process will impact industry’s competitiveness. Ultimately, the current trigger for gas plants limits a producer’s ability to implement the best processing solution as dictated by the business needs and regional characteristics in each specific situation.

Any adjustments to the EA process should help to:

1. *Ensure appropriate mechanisms are in place that demonstrate to the public that oil and gas development is occurring responsibly and is subject to sufficient regulatory oversight.*

2. *Maintain competitiveness of natural gas development in British Columbia.*

- Timing is critical: companies are progressing infrastructure decisions now to support production for LNG.
- The regulatory timelines are, at minimum, 18 months for an EA versus 6 months for an OGC approval.

3. *Reduce the regulatory burden .*

- The increase in EA's for natural gas production for LNG will impose a strain on both producers and the EAO office resources.

4. *Harmonize with Federal CEAA regulations consistent with the 2012 view of "Material Effects" which considers / incorporates impact of contemporary environmental legislation, including:*

- Federal GHG policy / regulations
- BC Carbon Tax
- Base Line Industrial Emission Requirements (BLIERs) – NOx regulations

5. *Considers the infrastructure growth that is potentially needed for the natural gas production that will supply proposed LNG facilities*

3 Current Environmental Assessment Process

3.1 Legislation

The following legislation and regulation dictates the EAO's process:

- *BC Environmental Assessment Act (BCEAA)*: sets out EA process / certificate requirements, decision making authority, compliance measures
- *Reviewable Projects Regulation*: defines listing and threshold criteria for projects that may trigger an environmental assessment (EA)
- *Prescribed Time Limits Regulation*: specifies a time limit of 45 days from the date of referral to Ministers for them to make a decision on whether or not to certify a project. If Ministers decide that more time is needed, an order may be issued to extend the time limit
- *Public Consultation Policy Regulation*: specifies obligations for consultation, giving notice, access to information and public comment period (30-75 days) for a reviewable project

- *Concurrent Approval Regulation*: defines eligibility, application process and deadlines for the concurrent approval process
- *Transition Regulation*: sets out transition rules for projects that were approved prior to EA coming into force in 2002 (not applicable to new projects).

3.2 Process

The EA process for British Columbia is depicted in Figure 1 (source: Environmental Assessment Office User Guide, Updated March 2011).

The EA process is managed by the Environmental Assessment Office (EAO). The EAO is responsible to review projects for potentially adverse environmental, economic, social, heritage and health effects. A project is deemed reviewable for the following reasons:

- meet or exceed threshold triggers,
- identified by the Minister of Environment, or
- accepted for review at a proponent's request.

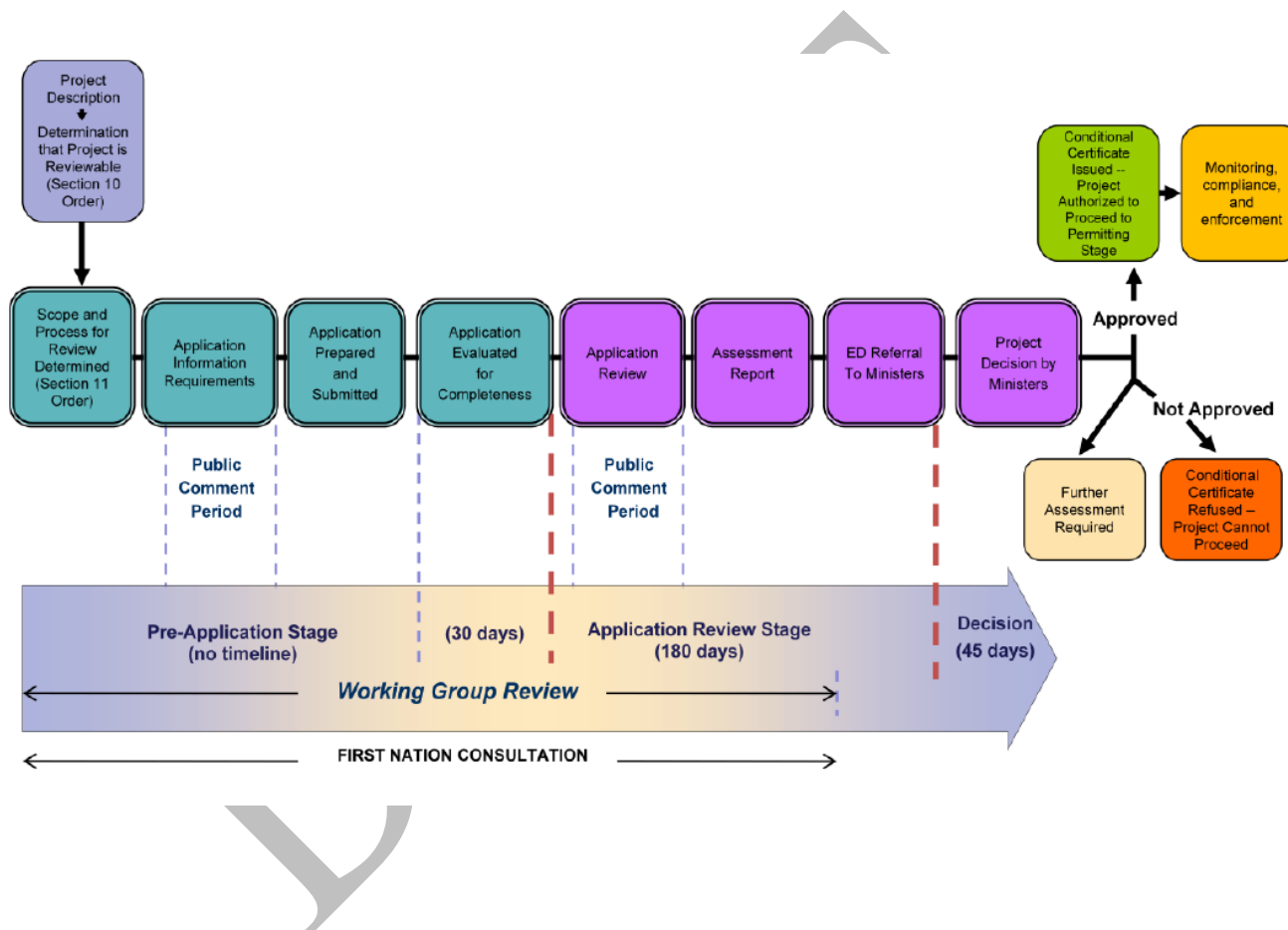
The review process includes:

- opportunities for the involvement of all interested parties
- consultations with First Nations (FN)
- technical studies to identify and examine potential significant adverse effects
- strategies to prevent, or reduce, adverse effects
- development of comprehensive reports summarizing input and findings

The process adheres to legislated timelines for specific stages of review. The estimated duration of a review is 1.5 – 2 years.

An EA “Waive-out” Process can be granted upon submission of a request for 10(1)b, with project description. The EAO process is similar to a “mini” EA, with a working group review. The estimated duration of a “waive-out” review, once the submission is received by the EAO, is in the order of approximately 6 months.

Figure 1. EA Process in British Columbia



3.3 Assessment Methodology

The methodology for an EA process is based on information provided in the “Guideline for the Selection of Valued Components and Assessment of Potential Effects”, published by the Environmental Assessment Office, September 2013. The typical process in the assessment of potential effects of a reviewable project includes the following steps:

1. **Issues Scoping** - Process of compiling and analyzing available information to identify environmental, economic, social, heritage, and health issues that may be related to a reviewable project.
2. **Select Value Components** - Issues identified through issues scoping grouped generally by the five ‘pillars’ – environment, economic, social, heritage, and health – and then more specifically within those broad thematic areas to identify candidate VCs.
3. **Establish Boundaries** - Assessment boundaries serve to define the scope or limits of the assessment: spatial, temporal, administrative / constraints, technical.
4. **Describe Existing Conditions** - For each selected VC, the existing conditions within the study area should be described in sufficient detail to enable potential project-VC interactions to be identified, understood, and assessed.
5. **Determine Potential Effects** - Determine how the selected VCs may be affected by the project.
6. **Identify Mitigation Measures** - Describe the technically and economically feasible (i.e., practical) measures proposed to mitigate to an acceptable level potentially adverse effects of the project on selected VCs.
7. **Evaluate Residual Effects** - Residual effects are those effects remaining after the implementation of all mitigation measures, and, therefore are the expected consequences of the reviewable project for the selected VCs.
8. **Assess Cumulative Impacts (if necessary)** - If a reviewable project is expected to result in any residual adverse effects on the selected VCs, the need for a cumulative effects assessment must be considered. It is important to note that this consideration must be made for all residual adverse effects

3.4 Valued Components for Gas Plants

The valued components typically considered during the review of gas plants include:

1. **Environment**
 - Air Quality

- Carbon emissions/GHG Management
- Sound quality/acoustic environment
- Vegetation resources
- Wildlife resources

2. Economic

- Employment and economy

3. Social

- Land and resource use
- FN land use and interests
- Infrastructure and services

4. Heritage

- Archeological and heritage resources
- Aboriginal/First Nations Heritage

5. Health

- Incidents and malfunction
- Human and ecological health
- Healthy living
- Visual quality

3.5 *Review of Recent EAs*

Since 1995, thirteen gas plant projects have made application to the EA process. Table 1 summarizes the outcomes of the most recent applications.

Table 1. EA Application Outcomes

Project	Status	Date	Description	EAO Findings/ Key Areas of Concern	Conditions
Fortune Creek Gas Project	Certificate Issued	2013	<ul style="list-style-type: none"> 600 MMcf/d Sour gas treatment Horn River (High CO₂ content) 	<ul style="list-style-type: none"> The single adverse residual effect is GHG emissions assessed against provincial GHG targets (2.4 Mt/year). However, acknowledgement of sufficiently considered alternatives, committed to design changes, planning and operating changes. Benefits include LNG and economic effects. Duty to consult FN met. 	<p><i>GHG/air conditions for mitigation:</i></p> <ul style="list-style-type: none"> Carbon-capture ready Gas turbine generators with heat recovery to produce electricity for use at the project site Participate in pilot of a "Best Available Techniques Economically Achievable" to reduce air emissions Minimize burning of salvageable timber <p><i>Other:</i></p> <ul style="list-style-type: none"> Develop and implement a Caribou Mitigation and Monitoring Plan and a Wildlife Protection and Monitoring Plan with involvement from FN <p>Total conditions: 52</p>
Dawson Liquids Extractions Project	Projects that do not need an EA certificate	2013	<ul style="list-style-type: none"> 400 MMcf/d Sweet gas Deep cut process Dawson Creek/ Montney 	<ul style="list-style-type: none"> No adverse effects GHG to be included in waste discharge permit Addressed FN concerns 	<p>Total conditions: 0</p>
Cabin Gas Plant Project	Amendments	2010	<ul style="list-style-type: none"> 800 MMcf/d Sour gas treatment Horn River (High CO₂ content) On site water wells 	<ul style="list-style-type: none"> Main adverse residual effect is CO₂ emissions assessed against provincial GHG targets (2.2 Mt/year). The project is subject to <i>BC GHG Reduction Act</i> which "does not limit government ability to restrict GHG emissions through other applicable law". Benefits include LNG and economic effects. FN concerns are key part of process. No requirement to consider cumulative effects because of area operating protocols, development scenarios, and research. 	<p><i>Air:</i></p> <ul style="list-style-type: none"> Plant will be build "capture ready" and proponent committed to working further on capture/storage options <p><i>Other:</i></p> <ul style="list-style-type: none"> 60 other commitments addressing energy efficient equipment, land/soil practices, practices to reduce wildlife impacts, hiring local/FN contractors, road use to decrease impacts, site restoration/reclamation prior to decommissioning

3.6 Outcomes

Outcomes achieved by EA include the following:

1. Successful completion of the EA review along with approval by two provincial government Ministers.
2. Assessment and impact management expectations for both the federal and provincial government are addressed.
3. Consultation with potentially affected First Nations is adequate and First Nations interests are appropriately considered and addressed.
4. Public consultation is appropriate and public concerns within the scope of the review are appropriately considered and addressed.

4 Environmental Assessment Requirements in other Jurisdictions

The requirements to review gas plants vary in other jurisdictions (see Table 2). Under the *Canadian Environmental Assessment Act (CEAA)*, sweet natural gas processing facilities are exempt. As a result of the recent review of Designated Projects list, activities without a material adverse effect were not included. In Alberta, sweet gas processing is exempt with a NO_x caveat. This caveat is focused on sour gas processing

Since the Alberta regulations were implemented, the recent Canada-wide, equipment-based air quality regulations (BLIERS) have come into force. The NO_x limit is covered by *Oil and Gas Waste Regulation*. Consistent with BLIERS, all new natural gas engines have a limit of 2.7g NO_x/kwh.

Table 2. Reviewable Projects Regulation – Gas Processing Facilities

	British Columbia	Alberta	Federal (CEAA)
Gas Plant	<p>New facility is reviewable if design capacity ≥ 5.634 million m³/day (~ 200 MMcf/d).</p> <p>Modification – Reviewable if existing facility meets limit for new facility AND incremental increase in capacity ≥ 5.634 million m³/day</p>	<p>Facility is on Exempted Activities list: “a sweet gas processing plant that emits less than 384 kilograms of oxides of nitrogen per day”.</p>	<p>Not specifically mentioned.</p>

5 Policy Outcomes and Regulatory Requirements Applicable to Gas Plants

Many policy outcomes and regulatory requirements are applicable to gas plants through several policy and legislative instruments. The specific values and expectations are summarized in Table 3. Of particular note is the outcome-based regulatory requirements under *OGAA, the robust regulatory framework governing all oil and gas activity in the province, which preclude a gas plant from resulting in a material adverse effect*. Also of note is the BC OGC’s Area Based Analysis in the context of a provincial Cumulative Effects Values Framework, which is currently under development, and which serves to detect any changes in environmental objectives to enable an appropriate and integrative management response when needed.

Table 3. Process and Policy Outcomes Relevant to Gas Processing Facilities

Department/Agency (Legislation/Regulation)	Process	Policy Outcomes						
Environmental Assessment Office (Environmental Assessment Act)	<p>EA certificate - When project may have significant adverse effect <u>environmental, economic, social, heritage or health effect</u>, review identifies and evaluates potential adverse effects and measures for mitigating or avoiding those where possible.</p> <p>EA “Waive-out” / EAA section 10(1)b order - Provided for a reviewable project where determined that a project will not have</p>	<p>Identify all potential effects and mitigation/avoidance as it pertains to:</p> <table><tr><td>Environment</td><td><ul style="list-style-type: none">air qualitycarbon emissions / GHG Managementsound quality / acoustic environmentvegetation resourceswildlife resources</td></tr><tr><td>Economic</td><td><ul style="list-style-type: none">employment and economy</td></tr><tr><td>Social</td><td><ul style="list-style-type: none">land and resource useFirst Nations land use and interests</td></tr></table>	Environment	<ul style="list-style-type: none">air qualitycarbon emissions / GHG Managementsound quality / acoustic environmentvegetation resourceswildlife resources	Economic	<ul style="list-style-type: none">employment and economy	Social	<ul style="list-style-type: none">land and resource useFirst Nations land use and interests
Environment	<ul style="list-style-type: none">air qualitycarbon emissions / GHG Managementsound quality / acoustic environmentvegetation resourceswildlife resources							
Economic	<ul style="list-style-type: none">employment and economy							
Social	<ul style="list-style-type: none">land and resource useFirst Nations land use and interests							

	<p>significant adverse effect <u>environmental, economic, social, heritage or health effect</u>.</p>	<ul style="list-style-type: none"> • infrastructure and services <p>Heritage</p> <ul style="list-style-type: none"> • archeological and heritage resources • Aboriginal/First Nations Heritage <p>Health</p> <ul style="list-style-type: none"> • incidents and malfunction • human and ecological health • healthy living • visual quality <p>In addition to above, the EA process also provides:</p> <ul style="list-style-type: none"> • assessment of cumulative impacts where appropriate, if there are residual effects • consultation with First Nations that may be impacted and ensure concerns are considered/addressed • appropriate public consultation, issues within scope are appropriately considered and addressed
<p>BC Oil and Gas Commission (<i>Oil and Gas Activities Act</i>)</p> <p>The Commission has been granted authority for specified enactments under the following Acts: <i>Environmental Management Act</i> <i>Forest Act</i> <i>Heritage Conservation Act</i> <i>Land Act</i> <i>Water Act</i></p>	<p><i>Oil and Gas Activities Act (OGAA)</i> s. 8 - grants OGC authority to issue permits requirement for gas plants</p> <p><i>Consultation and Notification Regulation</i></p>	<p>The OGC will consider the Government of British Columbia's environmental objectives when determining whether requirements are met to issue a permit under <i>OGAA</i>.</p> <p>Environmental objectives include the protection of:</p> <ul style="list-style-type: none"> • groundwater quality • riparian values • wetlands • wildlife and wildlife habitat • old growth management features • resource features • cultural heritage features <p>These environmental objectives are achieved by managing and regulating development in areas containing these features, and with implementation of appropriate mitigation measures and ensuring regulatory compliance.</p> <p>Any application for a prescribed oil and gas activity permit, including applications for major amendments and permit extensions, must carry out the prescribed consultation or provide the prescribed notices, as per the Consultation and Notification Regulation Wells, Roads, Pipelines, Facilities</p> <p>Depending on proximity to the proposed activities and other factors (see Determining Consultation and Notification Obligations), permit holders may have to consult or notify the following persons or entities:</p> <ul style="list-style-type: none"> • Band councils for First Nation Indian Reserves • The Government of Canada • Landowners • Local authorities • Ministry responsible for administering the Transportation Act • Municipal Councils • Persons who have entered into agreement with a landowner to rent a residence or a structure used for livestock on the land

		<ul style="list-style-type: none"> • Person who is registered owner of land surface or as its purchaser under an agreement for sale • Rights holders
	<i>Environmental Protection and Management Regulation (EPMR)</i>	<p>Applies to Crown land and does not apply to subsurface oil and gas activities associated with an operating area. This regulation requires protection and management of environmental values defined in the <i>Oil and Gas Activities Act (OGAA)</i>, in the permit area. The EPMR outlines the key requirements for environmental protection and management that must be followed to be in compliance with the terms of a permit. These requirements relate to the following environmental components of oil and gas activities:</p> <ul style="list-style-type: none"> • Water quality • Aquifers • Crossing of streams, wetlands, and lakes • Prohibition of deposition of deleterious substances into water bodies • Operations within wetlands • Natural range barriers • Invasive plants • Forest health • Conserving soil • Seismic lines • Areas to be restored <p>Government's Environmental Objectives for water, riparian habitats, wildlife and wildlife habitat, old-growth forests and cultural heritage resources. Under section 25(1) of <i>OGAA</i>, the Commission is required to consider the government's environmental objectives in deciding whether or not to authorize and oil and gas activity.</p>
	<i>Environmental Management Act</i> <i>Waste Discharge Regulation</i> s. 14: Waste discharge permits	<p>Permit to discharge air emissions from Facilities</p> <p>A waste discharge permit is required under s. 14 for air emissions "subject to requirements for the protection of the environment that the director considers advisable", and may include any of the following requirements:</p> <ul style="list-style-type: none"> • require the permittee to repair, alter, remove, improve or add to works or to construct new works • require the permittee to give security • require the permittee to monitor the waste • require the permittee to conduct studies and to report information • specify procedures for monitoring and analysis, and procedures or requirements respecting the handling, treatment, transportation, discharge or storage of waste that the permittee must fulfill • require the permittee to recycle certain wastes, and to recover certain reusable resources, including energy potential from wastes

	<i>Heritage Conservation Act - Clearance</i>	<p>Clearance provisions protect British Columbia's archaeological resources (i.e. sites dated before 1846 on public and private land) by prohibiting destruction, excavation or alteration of archaeological sites without a permit. The Minister can also order a "heritage inspection" to assess the archaeological significance of a piece of land.</p> <p>The AAIF must be submitted by all oil and gas companies, or their agents for all applications made for proposed activity related to oil and gas development or exploration. The AAIF is the key information source for both the oil and gas client and the Commission as it contains all client, development, archaeologist and assessment information; it is used as the starting point for archaeology review at the Commission.</p>
	<i>Heritage Conservation Act - Site Alteration Permit</i>	<p>Site alteration permits require archeological impact assessments by a qualified archeologist and are typically issued following the completion of heritage inspections or heritage investigations.</p> <p>After a thorough site investigation, the archaeologist may recommend that the client apply for a site alteration permit, issued under Section 12 of the HCA. Issuance of this permit will allow the oil and gas client to proceed with development while adhering to any special conditions that may be outlined in that permit.</p>
	<i>Water Act</i> Approval for Changes in and about a water stream	<p>The OGC issues <i>Water Act</i> approvals for short term use of water and changes in and about a stream required to carry out oil and gas activities and pipelines. S. 9 requires that a person may only make "changes in and about a stream", namely:</p> <ul style="list-style-type: none"> any modification to the nature of the stream including the land, vegetation, natural environment or flow of water within the stream, or any activity or construction within the stream channel that has or may have an impact on a stream
	<i>Water Act</i> Approval for Short Term Water Use	<p>S. 8 of the <i>Water Act</i> regulates "short term use of water" diversions not exceeding 24 months and describe:</p> <ul style="list-style-type: none"> Water diversion location Stream direction Flow rates
	<i>Water Act</i> Water Licence	<p>A water licence is commonly used as authority to access surface water for activities that exceed a two-year period. Water licence tenures assigned under s. 12 of the <i>Water Act</i> entitle the holder to the rights granted under s. 5. For oil and gas operators, these rights are predominantly to:</p> <ul style="list-style-type: none"> divert and use beneficially, for the purpose and during or within the time stipulated, the quantity of water specified in the licence; store water; construct, maintain and operate the works authorized under the licence and necessary for the proper diversion, storage, carriage, distribution and use of the water or the power produced from it; alter or improve a stream or channel for any purpose
	<i>Oil & Gas Activities Act</i> — Pipeline & Facilities permit – Section 25	<p>Construction and Operation of an Oil and Gas Activity</p> <p>Permits for pipelines and facilities are issued under Section 25 of the Oil & Gas Activities Act</p> <p>Refers to the Environmental Protection and Management Regulation – detailed mitigation strategies to illustrate how the proposed activity will be carried out to ensure no adverse material effects in the identified area (OGAA Section 104)</p>
	<i>Forest Act</i> Master Licence to Cut - Section 47	<p>Approval to harvest timber from the facility site. A MLTC on Crown land is required where the removal of timber is necessary to conduct an oil and gas activity. A separate agreement is required for each forest district. MLTC will govern the cutting permit that authorizes the removal of timber on Crown land.</p>

	<i>Land Act</i> Temporary Occupation of Crown Land – Section 14	The OGC responsibilities include the issuance of tenures under the <i>Land</i> for petroleum and natural gas activities and provincially-regulated pipelines. <ul style="list-style-type: none"> Investigative use temporary occupation of crown land Ancillary Sites (e.g., camps):
	<i>Land Act</i> Licence of Occupation – Section 39	A license gives the recipient the right to enter on and use provincial land. However, ownership remains with the province and other users will usually be able to use the same area The Land Act also reserves water bodies, including all land below the natural boundary of any lake, river or stream, to the Province.
	Area Based Analysis (ABA) – <i>In development</i>	ABA consists of gathering and analyzing existing data and information on surface and subsurface impacts and planned development activities to better inform regulatory decisions. By considering environmental and social values associated with BC's unconventional gas basins, ABA enables appropriate oversight of localized, site-specific values at the permit level. ABA offers the following benefits: <ul style="list-style-type: none"> Provides a consistent process and rationale for identifying environmental and social values Clarifies objectives as set out in government policy and statutes Provides an analysis of existing development and the opportunity for future oil and gas activity Provides a simplified and transparent framework to assess and manage oil and gas development impacts on environmental and social values
Ministry of Forests, Lands, and Natural Resource Operations	<i>Wildlife Act</i> Wildlife Sundry Permits	Permits enable beaver dam removal, wildlife salvage, and amphibian relocation.
	<i>Wildlife Act</i> Fish Collection Permit	Permit enables the collection of fish for environmental studies/assessment.
	Cumulative Effects Framework – <i>In development</i>	As currently proposed, this measures the changes to environmental, social and economic values across all natural resource activities: <ul style="list-style-type: none"> Improve ability to assess and manage for desired outcomes and values Support assessment of cumulative impacts to First Nations rights and interests Provide increased certainty and stability for industry investment Initial values include: <ul style="list-style-type: none"> Forest ecosystem biodiversity, water, wildlife, cultural heritage, resource capability, economic wellbeing social wellbeing, visual quality and wilderness Completed at three scales: project level, broad scale and values screening
BC Ministry of Health	<i>Drinking Water Protection Act</i> – Drinking water system approval	<i>Drinking Water Protection Act</i> Water system construction permit and drinking water system operations permit. Ensures safe domestic water supply to employees of the facilities.
	<i>Health Act</i> Local Health Authority	Food, Water, Accommodations and Sewerage for Industrial Camps
WorkSafeBC	<i>Ministry of Jobs, Tourism and Skills Training and Responsible for Labour</i>	Specifies legal requirements that must be met by all workplaces under the inspection jurisdiction of WorkSafeBC.
	<i>Occupational Health and Safety (OHS) Regulation</i>	Requires the construction and operation of gas plants in accordance with all applicable WorkSafeBC requirements.
Agricultural Land Commission	<i>Agricultural Land Commission Act</i>	Non-farm use of agricultural lands for facilities <ul style="list-style-type: none"> Soil disturbance Footprint

*Delegated authority to OGC		<ul style="list-style-type: none"> Removal of agricultural lands from production
Federal	<i>Species at Risk Act</i>	<p>SARA has 3 main objectives:</p> <ul style="list-style-type: none"> prevent Canadian indigenous species, subspecies, and distinct populations from becoming extirpated or extinct, provide for the recovery of endangered or threatened species, and encourage the management of other species to prevent them from becoming at risk. <p>Also provides for the protection of residences, anywhere they are found of migratory bird species that are listed as endangered or threatened or listed as an extirpated species.</p>
	<i>Migratory Birds Convention Act</i>	Prohibits the disturbance, destruction or taking of the nests or eggs of migratory birds anywhere in Canada, including federal lands, provincial lands, territorial lands, First Nation lands and private lands.
	<i>Fisheries Act</i>	<p>Established to manage and protect Canada's fisheries resources. Regulates:</p> <ul style="list-style-type: none"> general prohibition of harmful alteration, disruption or destruction (HADD) of fish habitat fish passage around obstructions and two subsections dealing with fishways - the owner/occupier must provide for the safe passage of fish around an obstruction sufficient flow over the spill way or crest of an obstruction for the safe decent of fish water intake, ditch, channel or canal constructed for irrigation, manufacturing or power generation has a fish guard or screen prohibits the unauthorized killing of fish by means other than fishing prohibits the deposit of deleterious substances. Environment Canada is responsible for administering this subsection allows the Minister to request plans, specifications, studies or any other information that will allow the Minister to determine if the deposit of deleterious substances or a HADD is likely to occur.

Note: In addition to the requirements that are required by law in legislation or by policy, gas plants may also be subject to industry best practices and company specific best practices. Examples include company community best practices that aim to address noise, odours, light pollution, and increased traffic.

The following table offers a comparison of VCs addressed through the EA process against other legislative and policy tools applicable to gas processing facilities.

Table 4. Analysis of Overlaps and Gaps for Gas Processing Facilities

EA Values	Regulation													Policy		
	OGAA	EPMR	EMA	HCA	WA	LA	FA	WA	HA	SARA	FiA	DWPA	ALCA	CEF	ABA	NCBP
<i>Environment</i>																
Air Quality	N	N	Y	N	N	N	N	N	N	N	N	N	N	Y	TBD	N
Carbon emissions/GHG management	N	N	Y	N	N	N	N	N	N	N	N	N	N	TBD	TBD	N
Sound quality/acoustic environment	N	N	N	N	N	N	N	N	N	N	N	N	N	TBD	N	Y
Vegetation resources	Y	Y	N	N	N	N	N	N	N	Y	N	N	N	Y	Y	N
Wildlife resources	Y	Y	N	N	N	N	N	N	N	Y	Y	N	N	Y	Y	N
<i>Economic</i>																
Employment and economy	N	N	N	N	N	N	N	N	N	N	N	N	N	TBD	N	N
<i>Social</i>																
Land and resource use	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y	Y	N
First Nations land use and interests	Y	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y	N
Infrastructure and services	N	N	N	N	N	N	N	N	N	N	N	N	N	TBD	N	N
<i>Heritage</i>																

Archeological and heritage resources	Y	Y	Y	Y	N	N	N	N	N	N	N	N	N	Y	Y	N
Aboriginal/First Nations heritage	N	N	N	N	N	N	N	N	N	N	N	N	N	P	P	N
Health																
Incidents and malfunction																
Human and ecological health																
Healthy living																
Visual quality																

Comment [GO1]: MN: Coverage with C&N where applicable?

Comment [SS2]: Appears to be a gaps here too. Where is this addressed? Several would appear to fit under the CEV/ABA. Need to have a look at this. Also, NE monitoring program may serve to augment systems for human health/healthy living.

Comment [GO3]: MN: OH&S Regs?

Acronyms are as follows: Oil and Gas Activities Act (OGAA); Environmental Protection and Management Regulation (EPMR); Environmental Management Act (EMA); Heritage Conservation Act (HCA); Water Act (WA); Land Act (LA); Forest Act (FA); Wildlife Act (WA); Health Act (HA); Species at Risk Act (SARA); Fisheries Act (FiA); Drinking Water Protection Act (DWPA); Agricultural Land Commission Act (ALCA); Cumulative Effects Framework (CEF); Noise Control Best Practices (NCBP); Area Based Analysis (ABA)

Applicability: Yes (Y); No (N); Partly (P); To Be Determined (TBD)

EA Process Reform for Natural Gas Processing Plants

Joint (Government & Industry) Work Plan

Context:

- Natural Gas production is predicted to increase substantially to meet demand for LNG export; and,
- Government is interested in exploring options to address the potential increase in production to prevent unnecessary impacts on the land base, while providing a clear, timely and robust regulatory regime.

Goals:

1. Identify a best alternative solution to the existing EA requirement for natural gas processing plants, with the outcome providing:
 - Regulatory certainty enabling efficient development of natural gas in BC.
2. An alternative process that meets both the EA objectives and MoE mandate to “ensure timelines are appropriate for both economic development and environmental protection...”
3. To work collaboratively between Industry and Government to ensure that an appropriate solution can be reached in a timely manner– target implementation Spring 2014 (timing to be determined based on government decision regarding preferred option).

Industry Representation:

CAPP Working Group:

Co-leads: Sherry Sian (CAPP), Nadia Monaghan (Encana)

Committee members: upstream producers (CAPP & EPAC), midstreamers

Government Representation:

Environmental Assessment Office – Trish Balcaen (Executive Project Director); Lindsay McDonough (Project Assessment Officer); Erin Scraba (Manager, Legislation, Policy and Project Assessment)

Oil and Gas Commission – James O’Hanley (Deputy Commissioner, Resource Development)

Ministry of Natural Gas Development – Michelle Schwabe (Director, Regulatory Policy, Upstream Development)

Ministry of Environment – Anthony Danks (Executive Director, Environmental Sustainability)

EA Process Reform for Natural Gas Processing Plants

Joint (Government & Industry) Work Plan

Work plan:

1. Assess current situation (baseline review)

Deliverable #1: CAPP Working Group provides summary document/ report on baseline review to Government Working Group for review and input.

Deliverable #2: Industry to facilitate a “Natural Gas 101” (tour, presentation) with relevant Government agencies.

Key steps:

- a. Outline business case model – brief overview of key issues and rationale for seeking EA process reform.
- b. EA process for typical gas plant - *Existing EA objectives / how are these achieved*
 - applicable EA legislation (thresholds, definitions);
 - EA / exemption - application process, requirements;
 - EAO methodology for evaluation of projects, including valued components and assessment of potential effects; and,
 - results/ conditions from recent applications (EA/exemptions, gas plants or other relevant projects may be considered).
- c. Other existing BC regulations/processes for sweet gas plants
 - OGC (OGAA), FLNRO (Heritage conservation Act, Wildlife Act), ALC
 - Cumulative effects (FLNRO, OGC) – current, future plans
- d. Comparison of b & c above
 - identify potential overlap / areas for streamlining based on existing processes; and,
 - identify gaps where existing processes do not provide intended outcomes.
- e. Jurisdictional comparison

2. Evaluate alternative solutions (preferred option)

Deliverable #3: CAPP Working Group provides recommendations report to Government for review and input.

Deliverable #4: Meeting to discuss Government feedback on CAPP recommendations.

EA Process Reform for Natural Gas Processing Plants

Joint (Government & Industry) Work Plan

Key steps:

s.13

- b. Analysis of each option
 - Map out the regulatory process and key actions;
 - Test for desired outcomes – timing/certainty, integrity of EA objectives
 - Advantages / disadvantages / risks.
- c. Selection of preferred option and develop recommendations/justification

3. Confirm preferred option and approach to implementation

Deliverable #5: Government provides response to CAPP Working Group regarding confirmed option.

Deliverable #6: Government engages CAPP Working Group in development of process steps and implementation strategy (including community/ stakeholder/ FNs outreach).

*Refer to page 4 for key deliverables and timing of above-noted.

EA Process Reform for Natural Gas Processing Plants Joint (Government & Industry) Work Plan

Work Plan – Key Deliverables & Timing:

Deliverable	Description	Responsibility	Anticipated Timing
<u>#1</u>	CAPP Working Group provides summary document/ report on baseline review to Government Working Group for review and input.	Industry – lead	Evaluation currently underway, report available from industry Nov 1 for review. Gov't review period, 2 weeks (Nov 1-14) 1 week for industry/gov't final revisions (Nov 14-21)
<u>#2</u>	Industry to facilitate a “Natural Gas 101” (tour, presentation) with relevant Government agencies.	Industry - lead	Oct 31
<u>#3</u>	CAPP Working Group provides recommendations report to Government for review and input.	Industry – lead	2-3 weeks analysis, Nov 1-21; Draft report available November 22 nd for Gov't review Review by Gov't - 2 weeks (Nov 26-Dec 5).
<u>#4</u>	Meeting to discuss Government feedback on CAPP recommendations.	All	TBC – Meeting to discuss feedback week of December 9-13th
<u>#5</u>	Government provides response to CAPP Working Group regarding confirmed option.	Government – lead	TBC - Mid-December proposed
<u>#6</u>	Government engages CAPP Working Group in development of process steps and implementation strategy (including community/ stakeholder/ FNs outreach).	Government – lead	TBC – End of December proposed
<u>#7</u>	Implementation of preferred option	Government – lead	TBC – Timing for delivery of preferred option subject to Government direction and priorities.

Pizarro, Kirsten EAO:EX

Subject: 1:00 Discussion : EAO/OGC/Encana
Location: EAO 1st Floor Boardroom 836 Yates Street

Start: Thu 2013-09-19 1:00 PM
End: Thu 2013-09-19 2:00 PM

Recurrence: (none)

Meeting Status: Accepted

Organizer: Balcaen, Trish L EAO:EX
Required Attendees: O'Hanley, James G OGC:IN; Scraba, Erin H EAO:EX; Schwabe, Michelle MNGD:EX; Feyrer, Laura ENV:EX

When: Thursday, September 19, 2013 1:00 PM-2:00 PM (GMT-08:00) Pacific Time (US & Canada).
Where: EAO 1st Floor Boardroom 836 Yates Street

Note: The GMT offset above does not reflect daylight saving time adjustments.

~~*~*~*~*~*~*~*~*

Conf Call

s.17

Trish will be the moderator

From: Monaghan, Nadia [<mailto:Nadia.Monaghan@encana.com>]
Sent: Wednesday, September 11, 2013 3:28 PM
To: Balcaen, Trish L EAO:EX
Cc: Ezekiel, Jennifer N.
Subject: Sept 19 Encana/EAO Meeting

Hi Trish,

I was thinking it would be a good idea if we could tack on additional time next week to discuss a few other items that are not directly related to the Encana 4-26 Refrigeration project:

1. Industry working group to address EA process for sweet gas plants - I'd like to provide you with a draft of industry's plan on this initiative prior to a CAPP working group kick-off
2. Outline for a "Natural Gas 101" (presentation / tour) - as follow-up to our meeting last week, I am drafting outline of what this may look like and would like to gather your feedback

Recognizing that we will need the full hour already scheduled to focus in on the 4-26 Project, another 0.5-1 hour should allow us to discuss these items. Please let me know if you have availability? I would also suggest that we invite a CAPP representative to be part of this discussion as well (likely Sherry Sian could attend, she will be helping lead industry's efforts on this).

Thanks,

Nadia Monaghan
Environmental Policy Group Lead
Regulatory and Government Relations
t 403.645.6216
c 403.614.1711

Encana Corporation
encana.com

Pizarro, Kirsten EAO:EX

Subject: BC Government CAPP Working Group
Location: EAO R 2nd Floor Large Boardroom EAO:EX

Start: Tue 2014-02-11 2:00 PM
End: Tue 2014-02-11 4:00 PM

Recurrence: (none)

Meeting Status: Meeting organizer

Organizer: Scraba, Erin H EAO:EX
Required Attendees: Pizarro, Kirsten EAO:EX; Balcaen, Trish L EAO:EX; Schwabe, Michelle MNGD:EX; Danks, Anthony ENV:EX; Paquin, Lisa C ENV:EX; O'Hanley, James G OGC:IN; 'Monaghan, Nadia'; XT:Sian, Sherry FLNR:IN
Optional Attendees: Craven, Paul EAO:EX; Robinson, Deborah OGC:IM
Resources: EAO R 2nd Floor Large Boardroom EAO:EX

Categories: Blue Category

Pizarro, Kirsten EAO:EX

Subject: CAPP EA Proposal Discussion
Location: 1-877-353-9184 Participant Conference ID: 1986362 #
Start: Fri 2014-02-21 10:00 AM
End: Fri 2014-02-21 11:00 AM
Recurrence: (none)
Meeting Status: Accepted
Organizer: Sian, Sherry
Required Attendees: Monaghan, Nadia; Scraba, Erin H EAO:EX

s.17 Toll Free - North America

Participant Conference ID s.17

From: Sian, Sherry [<mailto:sherry.sian@capp.ca>]
Sent: February-12-14 1:37 PM
To: Monaghan, Nadia; Scraba, Erin H EAO:EX
Cc: Tate, Shirley
Subject: RE: CAPP EA Proposal

Hi Erin

If you are available in the next seven to ten days, we should reconnect on CAPP's commitment to complete a quick jurisdictional review of other shale producing areas. This would be a good opportunity for an update on next steps.

Shirley has graciously offered to coordinate our schedules so she will be in touch in the next few days.

Kind regards,
Sherry Sian | Manager, Resource Access, Operations

Pizarro, Kirsten EAO:EX

Subject: Catch Up
Location: Teleconference: s.17

Start: Mon 2014-04-14 10:30 AM
End: Mon 2014-04-14 11:00 AM

Recurrence: (none)

Meeting Status: Accepted

Organizer: Sian, Sherry
Required Attendees: 'Monaghan, Nadia'; Scraba, Erin H EAO:EX

11:30 am MDT; 10:30 am PDT

Pizarro, Kirsten EAO:EX

Subject: Touch base with CAPP (3:30-4 Pacific Time / 4:30-5:00 Mountain Time)
Location: Trish's office / teleconference s.17 Toll Free - North America , s.17
Start: Wed 2014-01-15 3:30 PM
End: Wed 2014-01-15 4:00 PM
Recurrence: (none)
Meeting Status: Meeting organizer
Organizer: Scraba, Erin H EAO:EX
Required Attendees: Balcaen, Trish L EAO:EX; 'nadia.monaghan@encana.com'; XT:Sian, Sherry FLNR:IN

Adjusted by 30 minutes.

s.17 Toll Free - North America

Participant Conference ID: s.17

Pizarro, Kirsten EAO:EX

Subject: Updated: Chat - upstream strategy
Location: Lindsay to call Nadia

Start: Wed 2013-12-04 10:30 AM
End: Wed 2013-12-04 11:00 AM

Recurrence: (none)

Meeting Status: Accepted

Organizer: McDonough, Lindsay EAO:EX

Pizarro, Kirsten EAO:EX

From: Scraba, Erin H EAO:EX
Sent: Friday, February 21, 2014 10:00 AM
To: Schwabe, Michelle MNGD:EX; Craven, Paul EAO:EX; O'Hanley, James G OGC:IN; Paquin, Lisa C ENV:EX; Danks, Anthony ENV:EX; XT:Sian, Sherry FLNR:IN; 'nadia.monaghan@encana.com'
Cc: O'Connor, Lisa EAO:EX
Subject: Draft record of discussion from BC CAPP WG
Attachments: CAPP EA Process Update 2014-02-12.pptx; Action items BC-CAPP WG_Feb 11 2014.docx

Hi everyone,

Here are is the draft record of discussion and action items from our recent meeting. Let me know if you'd like to see anything changed or clarified by February 28.

I've also attached the final version of the slide deck, which Nadia provided to me last week.

Erin

Pizarro, Kirsten EAO:EX

From: Balcaen, Trish L EAO:EX
Sent: Friday, October 25, 2013 8:51 AM
To: Carr, Michelle EAO:EX; Craven, Paul EAO:EX
Cc: Speed, Brittney EAO:EX; Scraba, Erin H EAO:EX; McDonough, Lindsay EAO:EX
Subject: FW: CAPP EA Working Group - Updates
Attachments: Gas Plant EA Reform - Joint Work Plan 2013-10-25 FINAL.docx

FYI

From: McDonough, Lindsay EAO:EX
Sent: Friday, October 25, 2013 8:19 AM
To: Monaghan, Nadia
Cc: Balcaen, Trish L EAO:EX; Ezekiel, Jennifer N.; XT:Sian, Sherry FLNR:IN; Ody, Giles; Mycroft, Colleen EAO:EX
Subject: RE: CAPP EA Working Group - Updates

Hi Nadia,

See final Joint Work Plan attached (let me know if there is anything amiss).

Thanks as well for the update on the tour - we're looking forward to it. In terms of attendees, I now have the following confirmed:

- Trish Balcaen (EAO)
- Erin Scraba (EAO)
- Lindsay McDonough (EAO)
- Nathan Braun (EAO)
- Anthony Danks (MoE)
- Michelle Schwabe (MNGD)
- James O'Hanley (OGC) - still TBC

See you next week.

Lindsay

From: Monaghan, Nadia [Nadia.Monaghan@encana.com]
Sent: Thursday, October 24, 2013 3:58 PM
To: McDonough, Lindsay EAO:EX
Cc: Balcaen, Trish L EAO:EX; Ezekiel, Jennifer N.; XT:Sian, Sherry FLNR:IN; Ody, Giles
Subject: CAPP EA Working Group - Updates

Hi Lindsay,

We've reviewed the project plan and now have all of industry on board with the proposed changes. Please see attached for final edits, which include:

- updated timing in table, as previously discussed
- jurisdictional review - now included in Baseline review (has been added in between versions as per feedback from EAO meeting)
- removal of note regarding parallel processes, as this does not comprise part of the work and was simply for our group's

Hope that we can move forward with this as the final version. Please let me know if there's anything else from your side.

Other updates from today's meeting:

-Tour: we are busy finalizing the itinerary and working up a "101" presentation. I expect to have a final itinerary sent to you tomorrow, end of day. We will have reps from Shell/Progress/Encana/CAPP, which should provide for a good blend of folks on the tour.

-Baseline analysis - we are making really good progress and look forward to having a report for you to review in a week's time.

Please let me know if you want to discuss any of this further.

Thanks,
Nadia Monaghan
Regulatory and Government Relations
t 403.645.6216
c 403.614.1711

Encana Corporation
encana.com

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<http://www.encana.com>

Pizarro, Kirsten EAO:EX

From: McDonough, Lindsay EAO:EX
Sent: Wednesday, November 13, 2013 4:42 PM
To: Scraba, Erin H EAO:EX
Subject: FW: For Review: EAO Gas Plant Process - Draft Discussion Paper
Attachments: CAPP_EDMS-#233379-v6-EAO_Gas_Plant_Process_-_Draft_Discussion_Paper.pdf

FYI

From: Sian, Sherry [<mailto:sherry.sian@capp.ca>]
Sent: Wednesday, November 13, 2013 2:33 PM
To: McDonough, Lindsay EAO:EX
Cc: Ody, Giles; nadia.monaghan@encana.com
Subject: For Review: EAO Gas Plant Process - Draft Discussion Paper


Lindsay,

Per Nadia's commitment, attached please find our base assessment of process, values and gap analysis regarding regulatory requirements. If you have any questions, we are happy to schedule a follow up teleconference with you. If needed, please advise Giles Ody (cc'd in this e-mail) and he will coordinate schedules.

<<CAPP_EDMS-#233379-v6-EAO_Gas_Plant_Process_-_Draft_Discussion_Paper.pdf>>

Kind regards,

Sherry L. Sian, M.E.Des. |Manager, Resource Access

 **CAPP** CANADIAN ASSOCIATION
OF PETROLEUM PRODUCERS
2100, 350 - 7 Avenue SW, Calgary, AB T2P 3N9
ph: 403.267.1149 | e-mail: sherry.sian@capp.ca | fax: 403-266-3214
<http://www.capp.ca>

Follow CAPP on Twitter: [@OilGasCanada](https://twitter.com/OilGasCanada)
Join the CAPP Facebook Group: www.facebook.com/OilGasCanada



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immédiatement communiquer avec son expéditeur et détruire toutes les copies.

Pizarro, Kirsten EAO:EX

From: Balcaen, Trish L EAO:EX
Sent: Monday, February 3, 2014 6:11 PM
To: 'Monaghan, Nadia'; Scraba, Erin H EAO:EX
Cc: XT:Sian, Sherry FLNR:IN; Craven, Paul EAO:EX
Subject: RE: CAPP EA Process Update 2014-01-31.pptx

Thanks for this Nadia.

I wanted to let you know that I'll be stepping into the background as Erin takes the lead from the policy perspective. That means you won't see me at the meetings though I'll be working with Erin and the team in the background.

I've enjoyed working with you all and wish you success!

Cheers,
Trish

From: Monaghan, Nadia [<mailto:Nadia.Monaghan@encana.com>]
Sent: Friday, January 31, 2014 3:19 PM
To: Balcaen, Trish L EAO:EX; Scraba, Erin H EAO:EX
Cc: XT:Sian, Sherry FLNR:IN
Subject: CAPP EA Process Update 2014-01-31.pptx

Good afternoon Trish and Erin,

Please find attached a presentation which outlines CAPP's proposal for an alternative process to the current EA requirements for sweet gas plants.

The presentation outlines:

- objectives of our CAPP working group review
- summary of work undertaken to arrive at this proposal / key conclusions from that work that we feel supports our proposal
- justification for the alternative solution proposed

Sherry/I are available if you have any questions and I would be happy to arrange a phone call to discuss. Otherwise we are still available for an in person follow February 11th. Look forward to hearing from you.

Thanks,
Nadia

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<http://www.encana.com>

Pizarro, Kirsten EAO:EX

From: Scraba, Erin H EAO:EX
Sent: Friday, March 7, 2014 4:06 PM
To: XT:Sian, Sherry FLNR:IN
Cc: Monaghan, Nadia
Subject: RE: Modification thresholds for natural gas processing plants

Thank you for your feedback and clarification of CAPP's position.

As I mentioned earlier, there will be another opportunity for additional input from industry later this Spring on our regulation.

All the best,
Erin

From: Sian, Sherry [mailto:sherry.sian@capp.ca]
Sent: March-07-14 2:21 PM
To: Scraba, Erin H EAO:EX
Cc: Monaghan, Nadia
Subject: RE: Modification thresholds for natural gas processing plants

Hi Erin,

Thanks for the opportunity to provide feedback.

CAPP and its members are supportive of the recommended regulatory modification for new plants as per our proposal. We are hopeful that the recommended regulatory modification will be progressed in the very near future, so that there is certainty for plants currently being designed and soon ready for application.

With regard to the additional change being contemplated for facility modifications, CAPP recommends that the EAO provide for an appropriate review period and engagement with industry in order to consider the matter given the potential for material change in how the EA threshold is to be applied either as a result of wording changes and/or clarification regarding the interpretation. It is necessary to understand the technical basis for how a threshold should be applied for a facility modification, as well as the implications of any potential contemplated change.

We further recommend that this potential engagement take place after any contemplated regulatory modification for new plants, so that operators currently designing new plants can submit applications with a clear understanding of the requirements.

If you have any questions, do not hesitate to contact either Nadia or me.

Sherry Sian | Manager, Resource Access



CANADIAN ASSOCIATION
OF PETROLEUM PRODUCERS

Canada's Oil and Natural Gas Producers

D: 403.267.1149 | C: 403.829.5876 | Email: sherry.sian@capp.ca | Website: www.capp.ca



From: Scraba, Erin H EAO:EX [mailto:Erin.Scraba@gov.bc.ca]
Sent: Wednesday, March 05, 2014 3:40 PM
To: Sian, Sherry; 'nadia.monaghan@encana.com'
Subject: Modification thresholds for natural gas processing plants

Hi Sherry and Nadia,

To follow up on our conversation, it would be great to have additional input from CAPP members on the modification trigger (Table 8, column 3) for existing natural gas processing plants.

CAPP's proposal was for EA to occur for a facility, if it met the test of a new facility (meaning that it was ≥ 2 tonnes of sulphur emissions) and the modification results in an incremental increase of emissions of ≥ 2 tonnes of sulphur emissions. This proposal mirrors the existing wording in the Reviewable Projects Regulation, which is potentially unfair in certain contexts. Here are some scenarios to help illustrate:

Scenario 1: Current facility emits 2.1 tonnes of sulphur / day. Proposal is to increase to 3 tonnes sulphur / day

- Regulation is clear. No EA required for the modification
- Amendment to an existing environmental certificate may be required (if the facility previously underwent EA).
- Amendment to existing permits may be required

Scenario 2: Current facility emits 2.1 tonnes of sulphur / day. Proposal is to increase to 4.1 tonnes / sulphur / day.

- Regulation is clear. EA is required for the modification since the increase in incremental emissions is ≥ 2 tonnes of sulphur / day
- An amendment to existing permits may be required

Scenario 3: Current facility emits 1.5 tonnes of sulphur / day. Proposal is to increase to 2.5 tonnes of sulphur / day

- Ambiguous. The existing facility does not meet the criteria of being a new reviewable facility (< 2 tonnes of sulphur / day)
- An amendment to existing permits may be required

Scenario 4: Current facility emits 1.5 tonnes of sulphur / day/ Proposal is to increase to 4 tonnes of sulphur / day

- As above, ambiguous. The existing facility does not meet the criteria of being a new reviewable facility (< 2 tonnes of sulphur / day)
- Amendment to existing permits may be required

Rather than lead you with a preconceived notion of any solutions, I'd like to leave this conversation open ended—including to the extent that there actually is a fairness issue at play.

If this conversation with sour gas producers can be had quickly (i.e. before this Friday), we will consider any recommendations or comments in the immediate term. Please let me know as soon as possible if you think this will occur. Otherwise, this input can be deferred to Spring when we intend to go out with a discussion paper on the Regulation.

Kind regards,
Erin

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Pizarro, Kirsten EAO:EX

From: Nash, Laurel ABR:EX
Sent: Saturday, April 26, 2014 11:47 AM
To: Debbie Pierre; Rob Botterell; des.mckinnon@morictown.ca; barry.nikal@morictown.ca; karen ogen
Cc: Doug Konkin; Balcaen, Trish L EAO:EX
Subject: EAO/OGC rescinded OICs
Attachments: 62_2014.pdf; ATT00001.htm; 63_2014.pdf; ATT00002.htm; 51_2014.pdf; ATT00003.htm; 52_2014.pdf; ATT00004.htm

Good afternoon.

I understand you wished to receive copies of the Order in Council rescinding the order in Councils.
For clarity:

Regulation 51 is in regards to the table titled Petroleum and Natural Gas Projects, and regulation 62 repeals this.

Regulation 52 is in regards to the table titled Tourist destination resort projects, and regulation 63 repeals this.

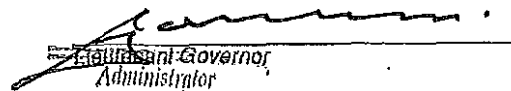
Additionally, if you have further questions we would be pleased to follow up with you on them.
Thank you.

Respectfully,
Laurel Nash
Chief Negotiator
LNG and Strategic Initiatives
Ministry of Aboriginal Relations and Reconciliation
3rd Floor, 2957 Jutland Road Victoria, B.C.
(t) 250 953-4004

s.17

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 200, Approved and Ordered April 16, 2014


~~Lieutenant Governor~~
Administrator

Executive Council Chambers, Victoria

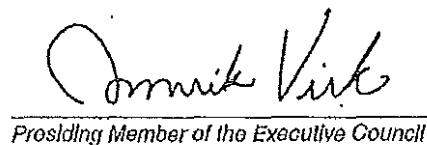
On the recommendation of the undersigned, the ~~Lieutenant Governor~~ Administrator, by and with the advice and consent of the Executive Council, orders that B.C. Reg. 51/2014 is repealed.

DEPOSITED

April 16, 2014

B.C. REG. 62/2014


Minister of Environment


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Environmental Assessment Act*, S.B.C. 2002, c. 43, sections 5 and 50

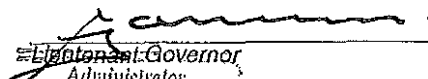
Other: OIC 185/2014, OIC 1156/2002

April 16, 2014

R/353/2014/10

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 201, Approved and Ordered April 16, 2014


~~Lieutenant Governor~~
Administrator

Executive Council Chambers, Victoria


On the recommendation of the undersigned, the ~~Lieutenant Governor~~ ^{Administrator} by and with the advice and consent of the Executive Council, orders that B.C. Reg. 52/2014 is repealed.

DEPOSITED

April 16, 2014

B.C. REG. 63/2014


Minister of Environment


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Environmental Assessment Act*, S.B.C. 2002, c. 43, sections 5 and 50

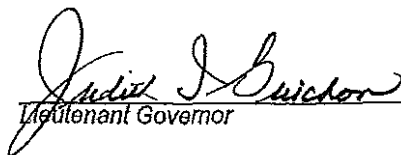
Other: OIC 186/2014, OIC 1156/2002

April 16, 2014

R/354/2014/10

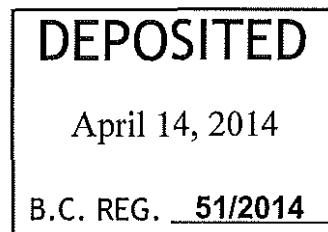
PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 185 , Approved and Ordered April 11, 2014


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that that, effective April 28, 2014, the Reviewable Projects Regulation, B.C. Reg. 370/2002, is amended as set out in the attached Schedule.




Minister of Environment


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Environmental Assessment Act*, S.B.C. 2002, c. 43, ss. 5 and 50

Other: OIC 1156/2002

March 24, 2014

R/206/2014/10

SCHEDULE

- 1 *The heading to Part 1 of the Reviewable Projects Regulation, B.C. Reg. 370/2002, is repealed and the following substituted:*

PART 1 -- INTERPRETATION AND TRANSITION .

- 2 *The following section is added to Part 1:*

Transition for amendments to Item 3 of Table 8

- 4.1 (1) In this section, "amendment regulation" means the regulation that, effective April 28, 2014, amended item 3 of Table 8 of this regulation.
- (2) This section applies to a project
- (a) that was a reviewable project under item 3 of Table 8 of this regulation, as that item read immediately before its amendment by the amendment regulation, and
 - (b) for which an environmental assessment certificate is in effect.
- (3) The amendments made by the amendment regulation do not affect
- (a) a right or obligation under the Act in respect of a project to which this section applies, or
 - (b) a right or obligation under the environmental assessment certificate for the project.

- 3 *Column 2 of Table 8 is amended*

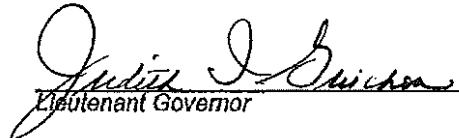
- (a) *by repealing item 3 (I) (a) (i) and (b), and*
- (b) *by striking out " , or" at the end of item 3 (I) (a) (ii).*

- 4 *Column 3 of Table 8 is amended*

- (a) *by repealing item 3 (I) (b) (ii), and*
- (b) *by striking out " , or" at the end of item 3 (I) (b) (i).*

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 186 , Approved and Ordered April 11, 2014


Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that, effective January 1, 2015, the Reviewable Projects Regulation, B.C. Reg. 370/2002, is amended as set out in the attached Schedule.

DEPOSITED

April 14, 2014

B.C. REG. 52/2014


Minister of Environment


Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Environmental Assessment Act*, S.B.C. 2002, c. 43, ss. 5 and 50

Other: OIC 1156/2002

March 24, 2014

R/235/2014/10

SCHEDULE

- 1 The Reviewable Projects Regulation, B.C. Reg. 370/2002, is amended by adding the following section to Part 1:*

Transition for amendments to Items 1 and 4 of Table 15

- 4.2** (1) In this section, "amendment regulation" means the regulation that, effective January 1, 2015, amended items 1 and 4 of Table 15 of this regulation.
- (2) This section applies to a project
- (a) that was a reviewable project under item 1 or 4 of Table 15 of this regulation, as those items read immediately before their amendment by the amendment regulation, and
 - (b) for which an environmental assessment certificate is in effect.
- (3) The amendments made by the amendment regulation do not affect
- (a) a right or obligation under the Act in respect of a project to which this section applies, or
 - (b) a right or obligation under the environmental assessment certificate for the project.

- 2 Column 2 of Table 15 is amended in item 1 (1)*

- (a) *by striking out "that" after "a new facility",*
- (b) *by adding "that" at the beginning of paragraphs (a), (b) and (c), and*
- (c) *by striking out "and" at the end of the paragraph (b), by adding " and" at the end of paragraph (c) and by adding the following paragraph:*
 - (d) *in respect of which, before January 1, 2015, the proponent has applied for but has not yet been granted an environmental assessment certificate.*

- 3 Column 2 of Table 15 is amended in item 4 (1)*

- (a) *by striking out "that" after "a new facility",*
- (b) *by adding "that" at the beginning of paragraphs (a) and (b), and*
- (c) *by striking out "and" at the end of the paragraph (a), by adding " and" at the end of paragraph (b) and by adding the following paragraph:*
 - (c) *in respect of which, before January 1, 2015, the proponent has applied for but has not yet been granted an environmental assessment certificate.*

- 4 Column 3 of Table 15 is amended by repealing items 1 (1) and (2) and 4 (1) and (2).*

Pizarro, Kirsten EAO:EX

From: Speed, Brittney EAO:EX
Sent: Thursday, April 17, 2014 11:54 AM
To: EAO Executive Project Directors
Subject: FW: Summary of 1pm call w DMs - follow up.
Attachments: EAO Summary - Anticipated Decisions and FN Consultation.xlsx

Follow Up Flag: Flag for follow up
Flag Status: Flagged

I did my best to roll-up the info provided, please let me know if there are any glaring errors/inaccuracies. Timing didn't allow for me to run past you prior to submitting to Laurel. Thank you for providing this so quickly last night/this am.

B

From: Speed, Brittney EAO:EX
Sent: Thursday, April 17, 2014 11:52 AM
To: Nash, Laurel ABR:EX
Cc: Carr, Michelle EAO:EX
Subject: Re: Summary of 1pm call w DMs - follow up.
Importance: High

Hi Laurel, as requested please find attached a summary of EAOs anticipated decisions, FN consultation and opportunities to reset the relationship. Please let me or Michelle know if you would like any further information or clarification on any of the info provided.

Brittney

From: Nash, Laurel ABR:EX
Sent: April 16, 2014 3:23 PM
To: Zacharias, Mark ENV:EX; Kriese, Kevin FLNR:EX; Carr, Michelle EAO:EX; Paulson, Ken OGC:IN; Piccinino, Ines MNGD:EX
Cc: Morgan, Dale FLNR:EX; Glenn Ricketts; Graham, Roger ABR:EX; Wilkie, Maria ABR:EX
Subject: Fwd: Summary of 1pm call w DMs - follow up.

As discussed earlier today can you please provide me with 3 lists:

- 1) any pending decisions/regulatory changes anticipated in the next 2 months, and if you have been engaged or consulting with T8 FNs on them?
- 2) an additional list of those types of decisions for mid and downstream as well.

3) opportunities/initiatives we can be engaging with FN and treaty 8 in an effort to reset the relationship (I know there are lots of opportunities) ie ESI for those with pipes, water strategy ...

If you could please provide that to me by tomorrow noon I would appreciate it as DMs are expecting it tomorrow.

Michelle we have not discussed this but please pull the info fro EAO.

Please let me know if you have any questions.
Thanks.

Respectfully,
Laurel Nash
Chief Negotiator
LNG and Strategic Initiatives
Ministry of Aboriginal Relations and Reconciliation
3rd Floor, 2957 Jutland Road Victoria, B.C.
(t) 250 953-4004 s.17

1) Any pending decisions/regulatory changes anticipated in the next 2 months, and if you have been engaged or consulting with T8 FNs on them?

PROJECT	TIMING (WITHIN)	ANTICIPATED DECISION	COMMENTS	FNS INVOLVED
Gething Coal Project	1 MONTH	s.21	s.21	West Moberly First Nations is opposed to the proposed underground coal mine.
Spectra (Westcoast Gas Transmission)	1 MONTH	APPLICATION SCREENING	Decision on whether to accept the application for review Tuesday, April 22 nd	
Kemess Underground Project	1 MONTH	FINAL SECTION 11 ORDER	EAO to issue final s.11 April 23, 2014. Feedback from T8FN not required for EA timelines/milestones (i.e., s.11, AIR)	Doig River - Doig River wrote emails to EAO following s.7 and draft s.11/SOC notifications stating interest in full consultation on the Project, Halfway River, Prophet River, Saulteau, West Moberly - West Moberly wrote email to EAO following s.7 notification requesting consultation with Proponent on the Project, McLeod Lake Indian Band - Federal delegated FN as per Substituted EA, Blueberry River - Federal delegated FN as per Substituted EA, Fort Nelson First Nation - Federal delegated FN as per Substituted EA
Mt. Milligan	1 MONTH		s.13	McLeod Lake Indian Band would be involved in the meeting
TransCanada (Prince Rupert Gas Transmission)	1 MONTH	APPLICATION SCREENING	Decision on whether to accept the application for review May 4 th	
Peace Valley Oriented Strand Board (OSB) Plant	1-2 MONTHS	AMENDMENT	Louisiana-Pacific OSB Limited Partnership (Certificate Holder) has applied for two amendments to its EA Certificate: for a rail spur, and to use methylene diphenyl diisocyanate (MDI) in a resin mixture at the OSB Plant. The rail spur amendment is currently in the EA process for decision, all Treaty 8 First Nations were notified. The Certificate Holder is currently working with EAO on their MDI application. EAO has commenced consultation with the T8 First Nations on the MDI amendment application. The Certificate Holder is also consulting with the Treaty 8 First Nations. The Environmental Protection Division of the Ministry of Environment is currently reviewing a draft application to amend the OSB Plant's Waste Discharge Permit under the Environmental Management Act, to allow the use of MDI. Through the permit amendment process, T8 First Nations have raised concerns over the use of MDI and potential effects on wildlife and treaty rights	
Pacific Trails Pipeline	1-2 MONTHS	AMENDMENT #4	Decision on whether to approve the amendment request May or June 2014	West Moberly/McLeod Lake
Prince Rupert LNG	1-2 MONTHS	APPLICATION INFORMATION REQUIREMENTS	May or early June - anticipate finalizing Application Information Requirements	

Meikle Wind Energy Project	2 MONTHS	EA CERTIFICATE DECISION	<p>EAC Application referral to Ministers is in May; it is therefore possible that a decision could be made within 2 months should Ministers not require the full 45 days.</p> <p>Pattern Renewable Holdings Canada ULC has completed their acquisition of Meikle Wind Energy Limited - This acquisition represents a share transfer, the Certificate Holder for the Project remains the same. EAO instructed the Proponent to inform First Nations (McLeod Lake Indian Band, Saulteau, West Moberly, Halfway River and Doig River First Nations) when the acquisition was completed. Letters were sent to the First Nations April 16</p>	McLeod Lake Indian Band, Saulteau, West Moberly, Halfway River and Doig River First Nations are actively participating in the EA
Aley Niobium Project	2 MONTHS	SECTION 10 ORDER	A project description could be submitted in the next two months and a s.10 order issued.	There would be T8 First Nations consulted for this project – it is in the territory of Halfway River, and the proposed transmission line would go through McLeod Lake area.
Murray River Coal Project	2-3 MONTHS			EAO is not consulting with the potentially affected T8 First Nations at present.
Woodfibre LNG - Squamish	2-4 MONTHS	APPLICATION INFORMATION REQUIREMENTS	Summer 2014 – anticipate finalizing Application Information Requirements	
Aurora LNG - Grassy Point	2-4 MONTHS	SECTION 10 ORDER	Summer 2014 – anticipate Section 10 Order to bring project into EA process	
Site C	5 MONTHS		The decisions around Site C will not happen until at least September to mid-October by the provincial and federal governments. EAO and CEAA will be doing a lot of consultation with Treaty 8 in May, June and July on the Site C panel report, aboriginal consultation report and draft conditions for a Certificate and federal decision statement.	
Coastal Gaslink	5-6 MONTHS	EA CERTIFICATE DECISION	Referral to Ministers anticipated late August 2014	

Tumbler Ridge Wind Energy NA

Pattern Renewable Holdings Canada ULC has completed their acquisition of Tumbler Ridge Energy Limited Partnership. This acquisition represents a share transfer, the Certificate Holder for the Project remains the same. EAO instructed the Proponent to inform First Nations (McLeod Lake Indian Band, Sauteau, West Moberly, Halfway River and Doig River First Nations) when the acquisition was completed. Letters were sent to the First Nations April 16

Silverberry Secure Landfill UNKNOWN AMENDMENT

Tervita has submitted an amendment application in to the EAO to double the existing size of the secure landfill. It would seem to be non-controversial. EAO is currently in discussions with Tervita regarding process steps. EAO does not envision a decision on the amendment occurring within the next two months. However, the Proponent and EAO will be consulting and engaging T8 FNs on the amendment including asking them to review the amendment application. EAO anticipates this engagement to occur during the next two months.

Blueberry FN is in closest proximity to the project

Rocky Creek Wind Energy Project NA

Proposed 500MW wind project between Chetwynd and Tumbler Ridge. Has an approved AIR. No decisions envisioned in the next 6 months

Halfway River FN; Sauteau FN; and West Moberly FN are in closest proximity to the proposed project.

Sukunka Coal Mine NA

Proposed coal mine between Chetwynd and Tumbler Ridge. Has an approved AIR and intends to submit their application in the Fall. No decisions envisioned in the next two months

West Moberly First Nations; Sauteau First Nations; and McLeod Lake Indian Band are in closest proximity

2) an additional list of those types of decisions for mid and downstream as well. PROVINCE WIDE (LNG and anything controversial)

PROJECT	TIMING (WITHIN)	ANTICIPATED DECISION	COMMENTS	FNS INVOLVED
Arctos Anthracite	1 MONTH		Working Group meeting for Arctos Anthracite project in Smithers next week on April 22 nd and 23. Representatives from both the Tahltan and Gitksan First Nations will be in attendance. The purpose of the meeting is to review the draft AIR.	
KSM Morrison	2 MONTHS 2 MONTHS	EA CERTIFICATE DECISION RECOMMENDATION	Referral to Ministers anticipated Mid-June. Anticipate a re-recommendation to Minister for decision on whether to issue an EAC MOE – Kitimat Airshed Analysis results – need to confirm with MOE but hearing late June for roll-out of results/response.	Anticipate JR from Gitanyow Gitanyow, Gitksan, Lake Babine (all FNs who are being consulted on pipelines)
Provincial (Midstream/Downstream) - OTHER AGENCIES RESP.				

BC Hydro re: their DCAT2 proposed plan for electrification in the NE

3) opportunities/initiatives we can be engaging with FN and treaty 8 in an effort to reset the relationship (I know there are lots of opportunities) ie ESI for those with pipes, water strategy ...

Page 102 redacted for the following reason:

s.16

Pizarro, Kirsten EAO:EX

From: Balcaen, Trish L EAO:EX
Sent: Wednesday, April 16, 2014 10:52 AM
To: Anholt, Jim MIT:EX; Avila, Amy OGC:IN; Bagheri, Marjan MNGD:EX; Bailey, Scott EAO:EX; Balcaen, Trish L EAO:EX; Bawtinheimer, Brian ENV:EX; Beltrano, Linda MNGD:EX; Bilodeau, Normand G FLNR:EX; Black, Becky JAG:EX; Bondaroff, Todd T FLNR:EX; Bronstein, Ron JTST:EX; Brown, Jeff D RPF FLNR:EX; Calder, Kursti D MNGD:EX; Calof, Justin ABR:EX; Carr, Michelle EAO:EX; Carswell, Barron AGRI:EX; Chan, Debbie JAG:EX; Cole, Kim ABR:EX; Coley, Simon J JAG:EX; Coyne, Alison G JTST:EX; Craven, Paul EAO:EX; Dadachanji, Jasmine ABR:EX; Dale, Alec R ENV:EX; Del Raye, Nicole EAO:EX; Dunn, Stephen L ABR:EX; Feyrer, Laura ENV:EX; Gilmore, Christopher JTST:EX; 'gke@telus.net'; Gow, Lisa A TRAN:EX; Hartley, Brenda FLNR:EX; Hoffman, Edward A ENV:EX; Janke, Brenda G HLTH:EX; Johnson, Kristen TRAN:EX; Jones, Christopher H JAG:EX; Kriese, Kevin FLNR:EX; Lambert, Tim HLTH:EX; Leake, Greg EAO:EX; Lesiuk, Tim ENV:EX; Low, Bruce ABR:EX; Manahan, Suzanne MNGD:EX; Martin, Wayne FLNR:EX; McDonald, Tavis EAO:EX; McGuire, Jennifer ENV:EX; Morgan, Dale FLNR:EX; Oberg, Jordie MNGD:EX; O'Donoghue, Eamon G FLNR:EX; O'Hanley, James G OGC:IN; Pesklevits, Anthony FLNR:EX; Peyman, Hurrian ENV:EX; Popp, Nathan TRAN:EX; Psyllakis, Jennifer FLNR:EX; Puggioni, Giovanni ABR:EX; Rawling, Greg FLNR:EX; Reay, Gary W FLNR:EX; Recknell, Geoff ABR:EX; 'Robert.K.Smith@bchydro.com'; Russell, Jim EAO:EX; Russell, Patrick H FLNR:EX; Schwabe, Michelle MNGD:EX; Scott, Katie P ABR:EX; Sharpe, Ian D ENV:EX; Skokun, Nadia FLNR:EX; Spence, Karen OGC:IN; Stalker, Jennifer L FLNR:EX; Tudhope, Dave R JTST:EX; Urwin, Mark MNGD:EX; Wiedeman, Lori TRAN:EX; Wray, Jennifer MNGD:EX; Wrean, Doug L MNGD:EX; Wright, Milt ABR:EX
Subject: Update: EA Fees and Reviewable Projects Reg Amendments
Attachments: QA_Fees-14Apr14.docx; QA_RegAmend-14Apr14.docx; QP_IN_EAO_Fees_3Apr2014.docx; QP_IN_EAO_RPR_Amends_03Apr2014.docx

Hi all,

As you may already know, EAO announced two key changes on Monday this week:

- Fees; and
- Changes to our reviewable projects regulation.

Not Responsive

Amendments to the *Reviewable Projects Regulation* remove the requirement for sweet natural gas processing plants and ski and all-season resorts to obtain an environmental assessment certificate. Information on the changes is also available on our website at <http://www.eao.gov.bc.ca/changes.html>.

I've attached two sets of Q/As and two INs (one of each on fees and the other on the regulation amendments).

See below for a media response we received from West Coast Environmental Law. Also important to know that the FN LNG Conference in Fort Nelson was significantly impacted by this news (UBCIC re-tweet below).

BC Environmental Assessment Office

As-it-happens update · April 15, 2014

BC Axes Requirement for Environmental Assessment of Ski Resorts and Natural Gas Facilities

DigitalJournal.com

The **Environmental Assessment Office** asserts that the legal changes are designed to reduce duplication with regulation by the Oil and Gas ...



Flag as irrelevant

And a tweet from this morning on the FN LNG Conference.



UBCIC @UBCIC-415

BREAKING: #FNFN Chief Sharlene Gale evicted all BC Govt officials from #LNG conference, officials drummed out of the conference. #bcpoli

Expand

Reply Retweet Quote Reply

If you have any questions or concerns, please let me or Paul Craven know.

Cheers,

Trish

EAO Review – Introduction of Regulatory Amendments
Questions and Answers
April 14, 2014

Reviewable Projects Regulation

What are the changes to the regulation?

- The requirement for new and expanded ski and all-season resorts to obtain an environmental assessment is removed entirely.
- For natural gas processing plants, the amendment removes the volume-based trigger and a project will need to have sulphur emissions of 2 tonnes or more per day to be reviewable. The effect is to remove the requirement for an environmental assessment for sweet natural gas processing plants.
- The changes do not affect the provisions in the *Environmental Assessment Act* that allow the Minister of Environment to designate a project as reviewable, if the minister is satisfied that the project may have a significant adverse environmental, economic, social, heritage or health effect and that the designation is in the public interest.

Why are you exempting these kinds of developments from the requirement for an environmental assessment certificate?

- Sweet natural gas plants use a proven technology with a relatively small footprint that can be fully remediated on closure. The plants are reviewed, authorized and regulated by the BC Oil and Gas Commission.
- The Resort Master Plan sets out a detailed plan of proposed community and recreational infrastructure as well as proposed real estate development within a resort area and provides detailed technical and management information necessary to support the sustainable development of a resort.
- The Ministry of Forests, Lands and Natural Resource Operations has an established Master Plan review process; exempting resorts eliminates a duplication of effort and the potential for undue delays in the decision making process.

How does BC compare with the rest of Canada in requiring environmental assessments for sweet natural gas plants?

- Prior to this change, British Columbia was one of the only gas-producing jurisdictions in Canada that conducted environmental assessment reviews of sweet gas facilities. New Brunswick reviews the extraction and processing of combustible energy yielding materials.

Who will look at cumulative effects associated with sweet natural gas processing plants?

- The BC Oil and Gas Commission conducts a rigorous permitting process for sweet gas processing plants that includes safety aspects through engineering design, as well as environmental considerations.
- In addition, through the Commission's "area-based analysis", siting and other developments such as pipelines are taken into consideration prior to any permit being granted.

Who will look at greenhouse gas impacts from sweet natural gas processing facilities?

- BC Oil and Gas Commission regulations require companies to have fugitive emission management plans in place and Commission inspectors regularly check for such emissions during field inspections.
- According to the Climate Action Secretariat, fugitive emissions account for 8.8 per cent of GHG emissions from the B.C. oil and gas sector (2012).

Who will regulate resort developments?

- The Ministry of Forests, Lands and Natural Resource Operations' Mountain Resorts Branch administers the Resort Master Plan review process. The process looks at both new developments and expansions.

When will these changes take effect?

- The changes take effect on April 28, 2014 for sweet natural gas processing plants.
- The changes will take effect on January 1, 2015 for ski and all-season resorts to ensure adequate time for system changes by the Ministry of Forests, Lands and Natural Resource Operations to ensure the public and other interested parties can readily locate information and comment on draft Resort Master Plans.

Why are you doing this now?

- In both cases, there are robust environmental reviews already being done by other provincial government agencies. Removing the requirement for an environmental assessment will reduce duplication, while freeing up Environmental Assessment Office resources for reviews of other important projects.

Doesn't this move weaken the protection of the environment?

- No. There are already robust environmental review processes in place being managed by other provincial government agencies. In addition, the Environmental Assessment Office will use the resources that are freed up to review other projects with the potential for significant adverse effects.
- The changes do not affect the provisions in the *Environmental Assessment Act* that allow the Minister of Environment to designate a project as reviewable, if the minister is satisfied that the project may have a significant adverse environmental, economic, social, heritage or health effect and that the designation is in the public interest.

Is this move to exempt sweet gas plants precedent setting?

- No. Prior to the amendment, in January 2014, Encana's 4-26 Refrigeration project was exempted from the requirement to obtain an environmental assessment certificate.
- In September 2011, the Dawson Creek Liquid Nitrogen Plant was exempted.
- In both cases, the exemption was in recognition of the fact that the projects would not have significant adverse effects, taking into account the practical means of preventing or reducing to an acceptable level any potential adverse effects, including a rigorous permitting process by the BC Oil and Gas Commission.

Did you consult with anyone on these changes?

- Environmental Assessment Office staff worked with staff from the BC Oil and Gas Commission and the Ministries of Natural Gas Development, Environment and Forests, Lands and Natural Resource Operations to ensure that there would be no gaps in regulatory oversight as a result of the changes.

Are you making other changes to the regulation?

- We will be reviewing the Reviewable Project Regulation further over the next few months to determine if it is appropriate to make further changes.

Will you be exempting any other kinds of developments from environmental assessment?

- There are no immediate plans to exempt other kinds of projects. However, we will be reviewing the Reviewable Project Regulation further over the next few months.

What did the regulation used to say about the requirement for an environmental assessment for these kinds of projects?

- Prior to the amendment, any new natural gas processing plant was considered a reviewable project if it had the capacity to process 5.634 million m³/day or would result in sulphur emissions to the atmosphere of greater than or equal to 2 tonnes/day.
- A resort development was considered a reviewable project if it would have 2,000 or more bed units (of which 600 or more were commercial).

How will these changes affect progress of any existing environmental assessments?

- The Garibaldi at Squamish environmental assessment will continue through the Environmental Assessment Office.
- The existing Farrell Creek gas project will be going through the BC Oil and Gas Commission's rigorous permitting process when and if the company seeks to resume the project.

Do these changes mean that companies that previously got environmental assessment certificates can now ignore them and the associated conditions?

- No. The amendments do not affect the rights and obligations of current holders of environmental assessment certificates. The provincial government will continue to enforce the certificates and any changes to existing certificates will still need an amendment under the *Environmental Assessment Act*.



Environment and Sustainable
Resource Development

Policy Integration Branch
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9820 - 106 Street
Edmonton, Alberta T5K 2J6
Canada
Telephone: 780-643-9369
Fax: 780-422-4192
www.esrd.alberta.ca

AR 57816

March 25, 2014

Dear Kashmiro Cheema:

Thank you for the opportunity to comment on the proposed amendments to the Reviewable Projects Regulation. We note that you are proposing to remove the requirement for an environmental impact assessment for sweet gas processing plants and ski and year round resort developments under the *Environmental Assessment Act*.

Alberta Environment and Sustainable Resource Development has no issues with these proposed amendments, and therefore, has no comments.

We look forward to continuing to cooperate through the New West Partnership Trade Agreement.

Sincerely,

Heather von Hauff
Executive Director
Policy Integration Branch

c Jessica Pfeffer, British Columbia Ministry of Environment
Margot Trembath, Environment and Sustainable Resource Development

Pages 110 through 111 redacted for the following reasons:

Not Responsive

OFFICE OF LEGISLATIVE COUNSEL

Examined by: Sandra Borthwick

s.14, s.12

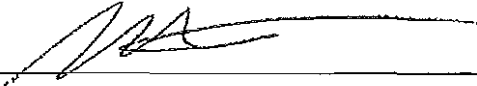
Order in Council

☐

Regulation

☒

s.14, s.12

Signed: 

Date: March 24, 2014

This legal opinion is subject to solicitor-client privilege.

R/206/2014/10

PROVINCE OF BRITISH COLUMBIA
ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No.

, Approved and Ordered

Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that that, effective April 28, 2014, the Reviewable Projects Regulation, B.C. Reg. 370/2002, is amended as set out in the attached Schedule.

Minister of Environment

Presiding Member of the Executive Council

(This part is for administrative purposes only and is not part of the Order.)

Authority under which Order is made:

Act and section: *Environmental Assessment Act*, S.B.C. 2002, c. 43, ss. 5 and 50

Other: *OIC 1156/2002*

March 24, 2014

R/206/2014/10

SCHEDULE

- 1** *The heading to Part 1 of the Reviewable Projects Regulation, B.C. Reg. 370/2002, is repealed and the following substituted:*

PART 1 – INTERPRETATION AND TRANSITION .

- 2** *The following section is added to Part 1:*

Transition for amendments to item 3 of Table 8

- 4.1** (1) In this section, “amendment regulation” means the regulation that, effective April 28, 2014, amended item 3 of Table 8 of this regulation.
- (2) This section applies to a project
- (a) that was a reviewable project under item 3 of Table 8 of this regulation, as that item read immediately before its amendment by the amendment regulation, and
 - (b) for which an environmental assessment certificate is in effect.
- (3) The amendments made by the amendment regulation do not affect
- (a) a right or obligation under the Act in respect of a project to which this section applies, or
 - (b) a right or obligation under the environmental assessment certificate for the project.

- 3** *Column 2 of Table 8 is amended*

- (a) *by repealing item 3 (1) (a) (i) and (b), and*
- (b) *by striking out “, or” at the end of item 3 (1) (a) (ii).*

- 4** *Column 3 of Table 8 is amended*

- (a) *by repealing item 3 (1) (b) (ii), and*
- (b) *by striking out “, or” at the end of item 3 (1) (b) (i).*

OFFICE OF LEGISLATIVE COUNSEL

Examined by: Sandra Borthwick

s.14, s.12

Order in Council ☐ Regulation ☒

s.14, s.12

Signed: 

Date: March 24, 2014

This legal opinion is subject to solicitor-client privilege.

R/235/2014/10

SCHEDULE

- 1 The Reviewable Projects Regulation, B.C. Reg. 370/2002, is amended by adding the following section to Part 1:*

Transition for amendments to items 1 and 4 of Table 15

- 4.2** (1) In this section, "amendment regulation" means the regulation that, effective January 1, 2015, amended items 1 and 4 of Table 15 of this regulation.
- (2) This section applies to a project
- (a) that was a reviewable project under item 1 or 4 of Table 15 of this regulation, as those items read immediately before their amendment by the amendment regulation, and
 - (b) for which an environmental assessment certificate is in effect.
- (3) The amendments made by the amendment regulation do not affect
- (a) a right or obligation under the Act in respect of a project to which this section applies, or
 - (b) a right or obligation under the environmental assessment certificate for the project.

- 2 Column 2 of Table 15 is amended in item 1 (1)*

- (a) *by striking out "that" after "a new facility",*
- (b) *by adding "that" at the beginning of paragraphs (a), (b) and (c), and*
- (c) *by striking out "and" at the end of the paragraph (b), by adding ", and" at the end of paragraph (c) and by adding the following paragraph:*
 - (d) *in respect of which, before January 1, 2015, the proponent has applied for but has not yet been granted an environmental assessment certificate.*

- 3 Column 2 of Table 15 is amended in item 4 (1)*

- (a) *by striking out "that" after "a new facility",*
- (b) *by adding "that" at the beginning of paragraphs (a) and (b), and*
- (c) *by striking out "and" at the end of the paragraph (a), by adding ", and" at the end of paragraph (b) and by adding the following paragraph:*
 - (c) *in respect of which, before January 1, 2015, the proponent has applied for but has not yet been granted an environmental assessment certificate.*

- 4 Column 3 of Table 15 is amended by repealing items 1 (1) and (2) and 4 (1) and (2).*

STATEMENT

For Immediate Release
2014ENV0025-000501
April 16, 2014

Ministry of Environment

Environment Minister's statement on Reviewable Projects Regulation

VICTORIA – Environment Minister Mary Polak has released the following statement about an amendment to the Reviewable Projects Regulation concerning sweet natural gas processing plants and ski and all-season resorts.

"I would like to acknowledge First Nations concerns about amendments to the Reviewable Projects Regulation under the Environmental Assessment Act. Our government apologizes for failing to discuss the amendment with First Nations prior to its approval.

"Our government is committed to a strong, respectful and productive relationship with First Nations. That is why we will rescind the amendment that would have removed the requirement for an environmental assessment for sweet gas facilities and destination resorts, until we have undertaken discussions with First Nations. The Canadian Association of Petroleum Producers (CAPP) has been made aware of this decision, and respects the need for our government to have further discussions with First Nations.

"Our government sees a significant value in continuing to develop a Government to Government relationship with all First Nations. We remain actively engaged with First Nations in northeastern British Columbia, including shared decision making that respects the environment, First Nation values, and Treaty 8 and its associated rights."

Media Contact:

Media Relations
Ministry of Environment
250 953-3834

Connect with the Province of B.C. at: www.gov.bc.ca/connect

Order in Council
Cabinet Summary Information
Cab Ops Template: March 2012

Ministry:
Environmental
Assessment
Office

Date Prepared: March 20, 2014

MoE #: 14-06

Log #: R/235/2014/10

Section	Detail
1. Type of OIC:	<input type="checkbox"/> BRDO appointment* <input type="checkbox"/> Non-BRDO appointment <input type="checkbox"/> Not a regulation <input checked="" type="checkbox"/> Regulation - provide Regulatory Count: 0
2. Routine or For Attention:	<input type="checkbox"/> Routine <input checked="" type="checkbox"/> For Attention because (select all that apply): <input type="checkbox"/> REQUIRES DISCUSSION <input type="checkbox"/> CONTROVERSIAL <input checked="" type="checkbox"/> REVISES POLICY

* For Board Resourcing Development Office ("BRDO") appointments, no need to fill out rows 7 through 12. However, along with the tagged OIC, please provide the Biography and signed-off Request for Appointment (BRDO documents).

3. Required Effective Date (Select all timing constraints that apply. Include Rationale.)	<input type="checkbox"/> No Timing Requirements RUSH - Cabinet approval is requested / required by <u>April 24, 2014</u> because (check all that apply): <div style="text-align: center;">s.14</div> <div style="text-align: center;">s.12</div>
4. Processing Instructions after approval	<input type="checkbox"/> Process normally <div style="text-align: center;">s.12</div>
5. Authorizing Act and section number(s)	<i>Environmental Assessment Act</i> , S.B.C. 2002, c. 43, ss. 5 and 50. OIC 1156/2002

**6. Purpose, Content and
Context (OIC "Essence")**

s.12

s.12

<p>7. Fiscal Management Considerations</p> <p>s.12</p>	<p>s.12</p>
<p>8. Legislative Counsel Cautions (yellow or red tags) Please speak to each concern expressed.</p>	<p>s.12, s.14</p>

Contact Name: Paul Craven
Title: Executive Director, Policy and Quality
Assurance
Phone Number: 250-387-6748

Prepared By: Kashmiro Cheema
Phone Number: 250-356-5305

Attached Appendices:

- ☒ Distribution Form
- ☐ Regulatory Criteria Checklist
- ☒ Regulatory Criteria Exemption Form
- ☐ Map(s)
- ☐ Other:



AGENDA

ATTENDING: Minister Polak; Matt Mitschke; Martina Kapac de Frias, Tom Hancock; Wes Shoemaker; Vickie Jackson; David Crebo; Shauna Brouwer; Lori Halls (dialing-in); Tim Lesiuk; Mark Zacharias; Jim Standen; Doug Caul; Greg Leake;

ABSENT:

~ All items are verbal updates unless otherwise noted ~

TIME	TOPIC	LEAD
2:30	Not Responsive	Hon. Mary Polak
2:40		Wes Shoemaker
2:50		David Crebo Greg Leake
	• Rollout of Fees and Reviewable Projects Regulation	
3:00	Not Responsive	Tim Lesiuk
3:05		Lori Halls
3:10		Mark Zacharias
3:20		Doug Caul
3:25		Jim Standen

**EAO Review/Introduction of Fees
Communications Action Plan
April 14, 2014**

Communications Challenge:

To tie the introduction of environmental assessment fees to action on improvements to the environmental assessment process through the EAO Review.

Stakeholder Analysis:

Proponents/Industry Stakeholders: Recent feedback on the work of the EAO has included concern from proponents and industry stakeholder organizations that environmental assessments can take too long, that more consistency and clarity is needed about the process and that there is duplication and overlap, including between the EAO and permitting agencies such as the Ministry of Energy and Mines and the BC Oil and Gas Commission.

s.13

s.13

Environmental NGOs: ENGOs have suggested that environmental assessments in BC are not sufficiently rigorous and that the EAO is not properly resourced. These groups were vigorous in their criticism of the recent changes to the federal environmental assessment process, characterizing it as a significant weakening of the environmental protection regime.

s.13

s.13

First Nations:

s.13

s.13

General Public: Members of the public who participate in environmental assessments have commented that the process takes too long, is unnecessarily complex and does not take public opinion into account in the final decision.

s.13

Key Messages:

Not Responsive

- At the same time, the EAO is introducing improvements now that will focus environmental assessments on issues that have potential to cause significant adverse effects.
- As an example, the EAO has made changes to remove the requirement for an environmental assessment certificate for sweet natural gas processing plants and ski and all-season resorts.
- In both cases, there are robust environmental reviews already being done by other provincial government agencies. Removing the requirement for an environmental assessment will reduce duplication, while freeing up EAO resources for reviews of other important projects with the potential for significant adverse effects.
- The combination of additional resources and a tighter focus will improve the timeliness, reduce the complexity and enhance the positive impacts of environmental assessments in British Columbia.
- The EAO Review is continuing, with future actions to be rolled out as they are ready.

Action Plan:

Mid-March – Mid-April:

- *Stakeholder meetings* with industry organization and ENGOs to provide information on the introduction of fees and improvements (including regulatory amendments).
 - Presentations by senior EAO staff and discussions with stakeholder representatives.

Not Responsive

Not Responsive

Mid-April:

- Announcement of:
 - Not Responsive
 - Amendments to the *Reviewable Projects Regulation* to remove the requirement for an environmental assessment for sweet natural gas plants and ski and all-weather resorts

Not Responsive

- Explanation of the fee structure and regulation amendments on the EAO website

Not Responsive

Post-April:

- Ongoing meetings and consultation with stakeholders (where appropriate, on specific initiatives within the EAO Review, including possible additional amendments to the *Reviewable Projects Regulation*).
- Continuing profile using a variety of communications tools (e.g. website, presentations, information bulletins/news releases) of EAO Review deliverables, e.g.:

Not Responsive

- *Reviewable Project Regulation* amendments

Not Responsive

Products:

- “What’s New”/RSS Posting
 - Not Responsive
 - *Reviewable Projects Regulation* Amendments
- Web Pages/Fact Sheets:
 - Not Responsive
 - *Reviewable Projects Regulation* Amendments

Not Responsive

- Q/As
- Presentation to stakeholders
- Issues Notes

April 3, 2014

ISSUE NOTE

Sweet Gas Plants to be Exempt from EAO Process

I. PREPARED FOR: Information

II. ISSUE: The B.C. Environmental Assessment Office planning to exempt sweet gas plants from review.

III. BACKGROUND:

- Effective Apr. 28, 2014, the B.C. Environmental Assessment Office (EAO) is planning to exempt sweet gas plants from the environmental review process.
- The EAO defines sweet gas plants as a facility for processing natural gas that contains no or only trace amounts of hydrogen sulphide (that does not require removal to meet transmission pipeline specifications) by removing its natural gas liquids, sulphur or substances other than water so that the natural gas meets transmission pipeline specifications.
- The government decision to confirm this is expected to take place on Apr. 9, with notification to the Canadian Association of Petroleum Producers on Apr. 10-11.
- The Minister of Environment will retain the right to declare any project reviewable if it is in the public interest.
- Previous sweet gas plants have been similarly exempted, including the approved Spectra Dawson Liquids Extraction plant and the proposed Encana Shallow Cut 4-26 plant.
- The plan to exempt removes duplication between the EAO review and BC Oil and Gas Commission (Commission) review.
- There is no H₂S risk associated with sweet gas plants.
- The Commission undertakes a full review of proposed plants, including engineering, environmental, First Nations consultation and landowner consultation, and is able to address any environmental or public safety issues with existing legislation, regulation and policy.
- With regard to consultation, the Commission consults and notifies with all relevant parties within a minimum distance of 3,300 metres from a facility, including private landowners, trappers, guides and other rights holders.
- Resorts are also being exempt from the process under this change.

IV. MESSAGING:

- The EAO's change in process does not affect the process by which the Commission reviews permits for sweet gas facilities.
- The Commission has a robust review process for all facilities, which includes engineering and environmental reviews, as well as First Nations and landowner consultation and notification.
- The Commission ensures all public safety and environmental protection considerations are taken into account, and mitigated if a project is approved.
- There is no sour gas safety risk associated with sweet gas plants.
- This change helps eliminate duplication and is not precedent setting as the EAO has provided similar exemptions for previous sweet gas plants.

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ENVIRONMENTAL ASSESSMENT OFFICE INFORMATION NOTE

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File: 30050-ENER
CLIFF/tracking #: 103308

PREPARED FOR: Honourable Mary Polak, Minister of Environment and
Honourable Rich Coleman, Deputy Premier and Minister of Natural Gas
Development

ISSUE: Regulatory process for natural gas processing plants required to supply
the Liquefied Natural Gas (LNG) industry

BACKGROUND:

If approved, the three LNG export facilities already in the Environmental
Assessment (EA) process would require an additional 9.5 billion cubic feet of
natural gas from BC.

Industry forecasts that approximately 26 facilities with capacity of 400 million
cubic feet/day (mmcf/d) would be required to process the gas in the Montney
Basin. The *Reviewable Projects Regulation* under the *Environmental
Assessment Act* (Act) requires EAs for facilities that process >200 mmcf/d of
sweet natural gas.

Encana representatives have stated that an EA timeline of 18 months is a barrier
so industry currently has an incentive to build <200 mmcf/d facilities. The
Environmental Assessment Office (EAO) has anecdotal evidence this activity
may already be occurring. EAO forecasts that approximately 45 facilities of <200
mmcf/d would be needed.

EAO is aware that there is a broader government response underway led by the
Ministry of Natural Gas Development (MNDG), in consultation with the Oil and
Gas Commission (OGC) to address this issue. This note is intended only to lay
out the range of options available to EAO under the Act. As a result, a
recommended option has not been identified.

DISCUSSION:

EAO and OGC anticipate that cumulative effects concerns (air quality, water
quality, wildlife, etc) will arise when a multitude of new wells and gas processing
facilities are proposed. Depending on the content of CO₂ of the gas being
processed, there may be potential significant adverse effects due to greenhouse
gas (GHG) emissions¹.

¹ The Horn River Basin has a 12% CO₂ content versus the Montney with approximately 2.0-2.5%
CO₂ content. EAO found a significant adverse residual effect due to greenhouse gas emissions
for facilities proposing to process gas from the Horn River Basin.

EAO is interested in:

- Providing an incentive for the oil and gas industry to build fewer and larger facilities;
- Maintaining the integrity of the regulatory process while shortening the duration of review;
- Providing greater certainty and transparency for Proponents and participants in the regulatory process; and
- Increasing the efficiency and effectiveness of EAO and OGC.

The options analyzed below would be limited to sweet gas processing facilities in the Montney basin. These options are presented for discussion, not for decision at this time.

Option 1: Status Quo

Existing EA and OGC regulatory processes with efficiencies recently set in motion for LNG proponents. Implications would include:

- The possibility of:
 - A proliferation of sub-threshold facilities designed to avoid an EA requirement (~ 45 facilities to support LNG development); or
 - A large number of proposed facilities entering the EA process (~26 facilities to support LNG development) that require EAO time and resources; or
 - A combination of both sub-threshold facilities and facilities requiring an EA;
- Even with cooperation from proponents, EAs would be approximately 18 months plus any necessary permitting processes and would require additional resources for the EAO to meet the timelines necessary to support LNG; and
- Processes are predictable and transparent.

Option 2: Class Assessment (Section 20 *Environmental Assessment Act*)

Conduct a class assessment for facilities in the Montney Basin. Review would be conducted on the facilities (specifications as established by EAO in consultation with OGC and industry) to establish a set of conditions to mitigate impacts. Specific projects that meet the specifications/conditions set out in the class assessment would be exempt from requiring an EA and an EA Certificate. Implications would include:

- Incentive for industry to build fewer and larger facilities;
- With cooperation from industry, class assessment would take 10-12 months, specific projects would take 2-4 weeks to review (i.e. up front effort, long term efficiencies);
- Process has not been used in BC before and would require deep levels of First Nations consultation, engagement and communication to succeed; and
- Highly efficient model for future project proposals.

Option 3: Equivalency Agreement with the Oil and Gas Commission

An agreement with the OGC to set out the additional steps, information or assessment needed to make the OGC process equivalent to an EA (i.e. social, health, cumulative effects). OGC would be required to produce an EA report and Ministers would continue in the same decision-making role as if EAO conducted the EA. Implications would include:

- Cost savings to government due to single process;
- With cooperation from proponents, timeline would be 18 months inclusive of permitting (with formal integration of EA requirements into permitting process for a 'one window' approach);
- Process is predictable and transparent;
- Requires review of OGC process and negotiation of an equivalency agreement; and

s.13, s.16

Option 4: Regulation change

As suggested by Encana, the Reviewable Project Regulation could be amended to increase the trigger for sweet natural gas processing facilities (such from 200 mmcfd to 400 mmcfd).

- Incentive for industry to build fewer and larger facilities;
- Timeline savings would be significant to industry;

s.13, s.16

- Risk that projects proceed with the potential for significant adverse effects; and
- Highly efficient model for future project proposals.

NEXT STEPS:

EAO is working with OGC and MNGD to develop a broader suite of options that considers their regulatory processes. The three agencies will present options to Ministers for decision by the end of September and would then work to develop terms of reference, a timeline, and an engagement plan with industry, First Nations and other stakeholders for approval by Ministers.

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Reviewed by	Initials	Date
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REVIEWABLE PROJECTS REGULATION AMENDMENTS

- We have amended the Reviewable Projects Regulation to remove the requirement for an environmental assessment for sweet natural gas processing plants and ski and all-season resorts.
- Both of these categories of projects are already subject to robust review and approval exercises by other provincial government agencies.
- This move will reduce duplication, while freeing up Environmental Assessment Office resources for reviews of other important projects with the potential for significant adverse effects.
- We will be reviewing the Reviewable Project Regulation further over the next few months to determine if it is appropriate to make any other changes.
- The amendments do not affect the rights or obligations of current holders of environmental assessment certificates.
- The amendments do not affect the ability of the Minister of Environment to designate a project as reviewable if the minister is satisfied that the project may have a significant adverse effect and it is in the public interest to have an environmental assessment.

Background:

The amendments to the Reviewable Projects Regulation:

- 1) Exempt new and expanded sweet natural gas processing facilities from environmental assessment requirements effective April 28, 2014;
- 2) Repeal environmental assessment requirements for new ski and all-season resorts, except for projects that have applied for, but not yet received, an environmental assessment certificate, effective January 1, 2015; and
- 3) Repeal environmental assessment requirements for expansions to ski and all-season resorts, effective January 1, 2015.

The regulation of sweet natural gas processing facilities is administered by the BC Oil and Gas Commission (OGC). The regulation of ski and all-season resorts is administered under the Resort Master Plan process by the Mountain Resorts Branch of the Ministry of Forests, Lands and Natural Resource Operations (FLNR).

The delay in effective date for ski resorts is to allow sufficient time for FLNR to make changes to their program websites to be more accessible, and to allow for more opportunities for public comment on draft materials that support decision making.

The Farrell Creek Gas Plant project will not be reviewable after April 28, 2014. This project is on hold. If it resumes, it will be reviewed through the OGC.

The Coquihalla Pass Ski Resort project will not be reviewable after January 1, 2015. If the proponent wishes to pursue this project, they will be able to commence discussions on application requirements of the Resort Master Plan process with FLNR.

The proposed Garibaldi at Squamish Resort project is the subject of an additional information request before a certificate decision can be made. Since this project still meets the criteria for being a reviewable project (that is, the proponent has applied for, but not yet received, an environmental assessment certificate), it will continue to be reviewed by EAO. This work is now expected to be concluded in 2015.

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