

**MINISTRY OF ENERGY, MINES AND LOW CARBON INNOVATION**

**BRIEFING NOTE FOR INFORMATION**

**PREPARED FOR:** Deputy Minister, Fazil Mihlar, Ministry of Energy, Mines and Low Carbon Innovation

**ISSUE:** Prince Rupert Gas Transmission Project

**BACKGROUND:**

The Prince Rupert Gas Transmission Project (PRGT) is a proposed 900-kilometre natural gas pipeline that would run from Hudson's Hope to Lelu Island, near Prince Rupert. The pipeline route would include both terrestrial and marine sections and would have a proposed initial capacity of 2 billion cubic feet per day (Bcf/d). If expanded, PRGT would have the capacity to transport 3.6 Bcf/d of natural gas – roughly equivalent to 27 million tonnes per annum of LNG.

The PRGT project was initially planned to supply feedstock gas to the proposed Pacific NorthWest LNG (PNW LNG) facility on Lelu Island (see the attached map of the proposed route for PRGT). On July 25, 2017, TC Energy was notified that PNW LNG would not be proceeding with their proposed export facility and since that point TC Energy has been reviewing options related to the project.

PRGT received an Environmental Assessment Certificate (EAC) from the B.C. Environmental Assessment Office (EAO) on November 25, 2014. Following that, all primary pipeline permits were issued to PRGT from the BC Oil and Gas Commission (OGC) under the *Oil and Gas Activities Act*. On April 25, 2019 TC Energy received a one-time only extension to their EAC. According to the letter issued by the EAO, PRGT must be substantially started by November 25, 2024, or the EAC will expire. The project has been approached by several companies regarding potential offtake; however, none have made a firm commitment to become the anchor tenant for the pipeline.

**DISCUSSION:**

**PRGT Facing a Time Pressure**

With PRGT's EAC is set to expire on November 25, 2024, the project is facing increasing pressure to secure an anchor tenant and commence construction. PRGT's environmental assessment took place under the 2002 Environmental Assessment Act which stipulates a 10-year maximum term to an EAC (5-year initial term + one 5-year extension). For the EAC to remain in effect, the project must be determined by EAO to have been substantially started, which for a pipeline is not rigorously defined. After a full year of construction-related activities, CGL has yet to receive a substantial start decision.

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**Attachment:** PRGT pipeline map

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## **PRGT pipeline map**

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# Infrastructure for the Energy Transition

## Prince Rupert Gas Transmission Project Update

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