

MINISTRY OF ABORIGINAL RELATIONS
AND RECONCILIATION
BRIEFING NOTE

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I Prepared for the **INFORMATION** of Minister John Rustad

II ISSUE:

Update on proposed Liquefied Natural Gas (LNG) pipeline projects

III BACKGROUND:

CN/ED

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As part of the BC Jobs Plan, a strategy was released for British Columbia's development of a LNG industry. LNG is natural gas that has been converted to liquid form for ease of storage or transport. This strategy details British Columbia's commitment to LNG exports, and outlines the principles that will guide the delivery of this new industry.

IV DISCUSSION:

As described in the Province's LNG Strategy, demand for natural gas is growing in Asia and Europe, primarily for electricity generation and heating purposes, as well as in transportation. B.C. is at the forefront to develop the capacity to export LNG. As LNG development progresses in British Columbia, it will be critical for the Ministry of Aboriginal Relations and Reconciliation (MARR) to participate in the development of LNG on a strategic level as well as an operational level.

Currently, five natural gas pipeline proponents have entered projects into the Environmental Assessment process, with numerous proponents expressing interest in constructing LNG facilities in Kitimat and Prince Rupert. See Appendix A for details related to the five pipeline proponents.

All currently proposed natural gas pipelines cross Carrier Sekani Tribal Council (CSTC) member nation territories. It will be essential for the Province to engage, consult and accommodate First Nation interests, as well as negotiate long term benefit agreements with First Nations impacted by the LNG project activities.

CSTC, along with 14 other First Nations, established a limited partnership associated to one natural gas pipeline project, Pacific Trails Pipeline Limited Partnership. The Province will provide \$32 million to the partnership ^{s.16; s.17}

^{s.16; s.17}

Release of the majority of provincial funds will coincide with the commencement of pipeline construction. ^{s.16}

^{s.16}

CSTC is cooperating with other First Nations in proposing a conference in Prince George to follow up on a conference held in Prince Rupert in June 2013 to advance cooperation among all First Nations for LNG benefit negotiations.

MARR has a mandate to negotiate financial benefits for the proposed Coastal GasLink Pipeline Ltd. and Prince Rupert Gas Transmission Ltd. pipeline projects. MARR is working to develop and advance comprehensive mandate proposals to negotiate agreements with First Nations for all the proposed pipelines.

MARR held scoping discussions with CSTC and its member First Nations in May 2013, with a further meeting held with Terry Teegee, CSTC Tribal Chief, in July 2013, to discuss the Province's and CSTC interests in advancing negotiations. CSTC has indicated that it intends to submit a funding proposal to coordinate negotiations on behalf of the majority of its member bands.

A planned meeting with Lheidli T'enneh was postponed by the band.

Benefit agreement negotiations are planned to commence in October, 2013.

It is noteworthy that financial benefits provided by pipeline proponents are likely to far exceed those provided by the Province.

V KEY MESSAGES:

- The Province would like to see beneficial arrangements with CSTC and other First Nations that would facilitate prosperity for their communities from the LNG sector.
- I encourage First Nation representatives to develop a strong relationship with MARR regional staff, to develop strategies to address specific interests and concerns of CSTC.
- Recognizing that individual bands may wish to sign their own agreements, the Province encourages CSTC Nations and other First Nations to aggregate for the purpose of benefit negotiations with the Province, which would allow for substantial cost savings to both First Nations and the Province in terms of legal and negotiator costs.
- The Province would like to pursue cooperative efforts with all First Nations to support development of LNG in British Columbia.

Appendix A: Proposed Natural Gas Pipeline Project Descriptors.

Appendix A

Proposed Natural Gas Pipeline Project Descriptors

Project Proponent	Project Description	Environmental Assessment Status	First Nation Territories Crossed by Project
Pacific Trails Pipeline Ltd. Partnership (affiliated to Apache Corporation and Chevron Canada)	Construction and operation of a natural gas pipeline between Summit Lake, north of Prince George BC to Kitimat BC.	Environmental Assessment Certificate issued in 2008. Received subsequent amendments issued in 2012 and 2013	Lheidli T'enneh Nadleh Whut'en Nak'azdli Saik'uz Stellat'en
Coastal GasLink Pipeline Ltd. (affiliated to TransCanada Ltd)	Construction and operation of a natural gas pipeline from near Dawson Creek, BC to Kitimat BC.	Section 11 Order issued	Lheidli T'enneh Nadleh Whut'en Nak'azdli Saik'uz Stellat'en
Prince Rupert Gas Transmission Ltd. (affiliated to TransCanada Ltd)	Development of a natural gas pipeline from near Hudson's Hope BC to Prince Rupert BC.	Section 10 Order issued	Nak'azdli Takla Lake
0948090 B.C. (affiliated to Spectra Energy Corp);	Development of a natural gas transmission system from near Fort St John, BC to Prince Rupert BC.	Section 11 Order issued	Nak'azdli Takla Lake
Pacific Northern Gas Ltd.	Looping of existing natural gas pipeline from near Summit Lake, north of Prince George BC to Kitimat BC.	Section 10 Order issued	Lheidli T'enneh Nadleh Whut'en Nak'azdli Saik'uz Stellat'en