

## **MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES**

### **BRIEFING NOTE FOR DECISION**

**I PREPARED FOR:** Honourable John Horgan, Premier of British Columbia

**II ISSUE:** Woodfibre LNG: Squamish First Nations Liquefied Natural Gas (LNG) Benefits Agreement

### **III BACKGROUND:**

Woodfibre LNG (Woodfibre) is proposing a 2.1 million tonnes per annum facility on privately owned land in Howe Sound that will utilize electrically driven liquefied natural gas (LNG) trains.

The Project is owned and operated by Woodfibre LNG Limited, a privately held Canadian company headquartered in Vancouver. The company is a subsidiary of Pacific Oil and Gas Limited, which is part of the Singapore-based Royal Golden Eagle group of companies.

In November 2016, Woodfibre announced the project received board approval to proceed. Woodfibre has communicated its intentions to issue a Notice to Proceed (Final Investment Decision) and commence constructions late Q1 early Q2, 2019.

Woodfibre LNG will create an estimated 650 direct jobs during the construction phase and up to 100 full time jobs during full-capacity operations. Additional employment opportunities will be created in the construction period for the FortisBC Eagle Mountain pipeline that will be servicing the facility.

During construction and expected 40 years of operation, government revenues have been estimated at \$1.6 - 2.6 billion.

Woodfibre has achieved significant milestones in working towards a Notice to Proceed:

- Received environmental approvals from the BC Environmental Assessment Office, Canadian Environmental Assessment Agency, and a Squamish Nation Environmental Assessment Agreement;
- Fully permitted on major Federal permits, permit plan in place for the issuance of supporting provincial and federal permits;

s.13

- Commenced decommissioning, pre-construction work onsite with completion scheduled for January 2019. The contract was awarded to Sukwi7 Contracting Ltd., a Squamish First Nation (SFN) owned company; and,

s.13

Woodfibre intends to use clean energy from the BC Hydro grid for compression resulting in a LNG project with the lowest global emissions profile. s.13

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s.13,s.16

Under existing (previous government) mandates, the Province and BC Hydro have negotiated a Squamish First Nation LNG Benefits Agreement (“the Agreement”, dated November 13, 2018). Council approved the negotiated Agreement on November 21, 2018.

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#### **IV DISCUSSION:**

s.13,s.16,s.17

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Withheld pursuant to/removed as

s.12;s.16;s.13

Approved / Not Approved

\_\_\_\_\_  
Honourable John Horgan, Premier  
of British Columbia

**Drafted by:**  
Suzanne Manahan, Executive Lead  
Woodfibre Implementation Team  
250-217-1567

\_\_\_\_\_  
Date

**Approved by:**  
Suzanne Manahan✓  
Dave Nikolejsin, DM✓



## **MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES**

### **BRIEFING NOTE FOR INFORMATION**

**I PREPARED FOR:** Honourable John Horgan, Premier of British Columbia

**II ISSUE:** Meeting with Ratnesh Bedi, President of Pacific Oil and Gas and  
David Keane, President of Woodfibre LNG

### **III BACKGROUND:**

Woodfibre LNG (Woodfibre) is proposing a 2.1 million tonnes per annum facility on privately owned land in Howe Sound that will utilize electrically driven liquefied natural gas (LNG) trains.

The Project is owned and operated by Woodfibre LNG Limited, a privately held Canadian company headquartered in Vancouver. The company is a subsidiary of Pacific Oil and Gas Limited, which is part of the Singapore-based Royal Golden Eagle group of companies.

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s.13

s.13,s.16

#### **IV DISCUSSION:**

s.16

s.16,s.17,s.21

s.16,s.21

## **V CONCLUSION:**

Woodfibre LNG is set to play an integral role in BC's energy system, and would represent one of the single largest private sector investments in the greater Vancouver area. The Ministry of Energy, Mines and Petroleum Resources will continue to work closely with Woodfibre LNG and their parent company Royal Golden Eagle as the project moves into the construction phase.

### **Appendix:** Appendix A - Project Profile

**DRAFTED BY:**

Mark Urwin  
Director, OGD

**APPROVED BY:**

Geoff Turner, ED OGD✓  
Garth Thoroughgood, A/ADM OGD✓  
Simon Coley, ADM, SIAD✓  
Dave Nikolejsin, DM✓



# LNG Project Fact Sheet

## WOODFIBRE LNG

December 2018

### Recent Announcements

- Sep 2018** Announced that a Heads of Agreement (HoA) had been signed with CNOOC Gas and Power Trading & Marketing Limited, a wholly-owned subsidiary of CNOOC concerning the potential offtake of 0.75 million tonnes per annum for 13 years starting in 2023.
- Aug 2018** David Keane, formerly the head of the BC LNG Alliance was announced as President of Woodfibre LNG.
- Aug 2018** Announced that SUKWI7 Contracting Limited Partnership was selected as the contractor for the Woodfibre LNG site cleanup. Under the contract the company will be removing old pulp mill structures and infrastructure along the foreshore of the old pulp mill site.

### Facility Concept



### Major Permits and Authorizations

Export License:	40-year license issued June 2017.
Provincial Environmental Assessment Status:	EAC issued October, 2015.
Federal Environmental Assessment Status:	EADS issued March, 2016.
LNG Facility Permit:	Pre-Application

### Summary Table

Shareholders:	Pacific Oil & Gas (100%)
Facility Type:	Liquefied Natural Gas Facility and Marine Terminal
Location:	Squamish—Former Woodfibre pulp mill site
Output Capacity      Total:	2.1 MTPA
Feedstock Pipeline:	Eagle Mountain—Woodfibre Gas Pipeline
LNG Buyers:	HoA's signed with Guangzhou Gas (1 MTPA) and CNOOC (0.75 MTPA)
Pre-FEED Contractor:	KBR Inc.
FEED Contractor:	KBR, Inc. and JGC America, Inc.
EPC Contractor:	KBR Inc. (contract yet to be signed)
Capital Expenditure (est.):	\$1.6 billion
Operating Expenditure (est.):	\$542 million / year
Construction Jobs (est.):	650
Operations Jobs (est.):	100

Contact: Oil and Gas Division

## **MINISTRY OF ENERGY, MINES AND PETROLEUM RESOURCES**

### **BRIEFING NOTE FOR INFORMATION**

- I PREPARED FOR:** Honourable John Horgan, Premier of British Columbia
- II ISSUE:** Meeting with Andy Calitz, Chief Executive Officer and Susannah Pierce, Director of External Relations of LNG Canada; Russ Girling, President and Chief Executive Officer and Tracy Robinson, Senior Vice President and General Manager, Canadian Natural Gas Pipelines, of TransCanada Ltd., and David Pfeiffer, President, of Coastal GasLink Ltd. to discuss opportunities to have an aligned approach to respective activities on the Coastal GasLink project.

### **III BACKGROUND:**

LNG Canada, and the associated Coastal Gaslink pipeline projects have their Environmental Assessment Certificates and major permits in place, which required consultation with affected First Nations (including the Office of the Wet'suwet'en).

Since 2013, the provincial government, LNG Canada and Coastal GasLink have been engaging affected First Nations about the impacts and benefits of the projects (see Appendix A for status of provincial pipeline and facility benefits agreements).

In addition to consultation requirements, the Province applied a three-pillar approach to ensure First Nations communities can participate and benefit from British Columbia's LNG opportunity: providing financial benefits that encourage financial growth in First Nations (Pipeline Benefits Agreements, LNG Benefits Agreements, Coastal Fund Agreements); enhancing environmental stewardship opportunities; and, offering skills training so First Nations members can access employment and training opportunities.

On Dec. 14, 2018, the Supreme Court of British Columbia granted Coastal GasLink an interim injunction against members of the Unist'ot'en camp where a gate is restricting access across the Morice River Bridge. There is an enforcement order in place providing direction to the RCMP to enforce the terms of the injunction.

Construction has commenced on the facility and the pipeline. Pre-construction activities for the pipeline include surveying, road-clearing and camp preparation, including clearing for a planned 200 person camp located approximately 14 kms from the Morice River Bridge.

### **IV DISCUSSION:**

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The enforcement of the temporary injunction order has resulted in an increase in public action opposing the Coastal GasLink project and LNG development in general. It has impacted Nations who have signed agreements and expressed support for the Projects. It has also complicated early reconciliation efforts with Wet'suwet'en Nation.

### **Provincial Reconciliation Approach**

The Province has committed to engage in a respectful, long-term dialog on reconciliation with the Wet'suwet'en which is not contingent upon support for any particular project.

As per direction from the Premier, Minister Fraser has advanced direct engagement with the Office of the Wet'suwet'en. In November 2019, the Province engaged a mutually-approved third party to serve as an intermediary between the Province and the Office of the Wet'suwet'en. s.13,s.16

s.13,s.16

### **Interests of LNG Canada and Coastal Gaslink**

The Chief Executive Officers have requested to meet with Premier Horgan to discuss opportunities to have a better approach for diffusing concerns about the Coastal GasLink project, with the goal of not requiring an injunction to proceed with the project.

This is a critical time for the Coastal GasLink project, given the upcoming legal deadlines and the construction timelines for the industrial camp located near the injunction area.

There are two key areas of interest for discussion:

1. How can the companies best support government's reconciliation efforts in a way that is helpful and assists in addressing the concerns about the project.
2. How can the companies work with the provincial government to develop a coordinated and coherent strategy for dealing with project-related issues as they arise, considering the different roles of the parties, and the quickly evolving situation on the Coastal GasLink project.

## **V CONCLUSION/PROPOSED RESPONSE:**

The provincial government remains committed to the LNG Canada project and is supportive of working together with LNG Canada and Coastal Gaslink to implement an effective approach to these complex issues.

While we have different roles and mandates we all share the goal of reconciliation with the Wet'suwet'en Nation and certainty for all.

During these times, it is important that companies continue to work with First Nations, including the Office of the Wet'suwet'en, to meet their requirements and commitments.

I support our Ministries in continuing to work with you and my office to further develop and implement the ideas we've discussed today.

**DRAFTED BY/CONTACT:**

Michelle Carr

Assistant Deputy Minister

LNG Canada Implementation

s.17

**APPROVED BY:**

Dave Nikolejsin, DM ✓

## **Appendix A: Status of Provincial Benefits Agreements with First Nations**

To date, seventeen of twenty affected First Nations have signed Pipeline Benefits Agreements with the Province, including four of five Wet'suwet'en *Indian Act* Bands (Hagwilget is the only Wet'suwet'en Band that has not signed). Two of the agreements (with Nadleh Whut'en and Nak'azdli Whut'en) are signed but are not ratified. Blueberry River, Hagwilget and Haisla have not yet signed.

BC has signed Facility Benefits Agreements with two of the five eligible First Nations (Kitselas and Gitgaat) and with Coastal First Nations (a higher level Coastal Fund agreement covering LNG Canada).

The Ministries of Energy, Mines and Petroleum Resources and Indigenous Relations and Reconciliation sought contingency access to conclude the three outstanding agreements (Haisla, Gitxaala and Kitsumkalum) from Treasury Board in January 2019. Pending funding approval, it is anticipated these agreements will be completed in 2019.

The negotiations with Haisla Nation have not been completed due to other priorities of the Nation in securing other agreements and community priorities.