

Review of Federal Environmental Assessment Processes Presentation to the Minister's Expert Panel

Energy lives here™

Hanna Janzen, P.Eng.
Safety, Security, Health & Environment Manager

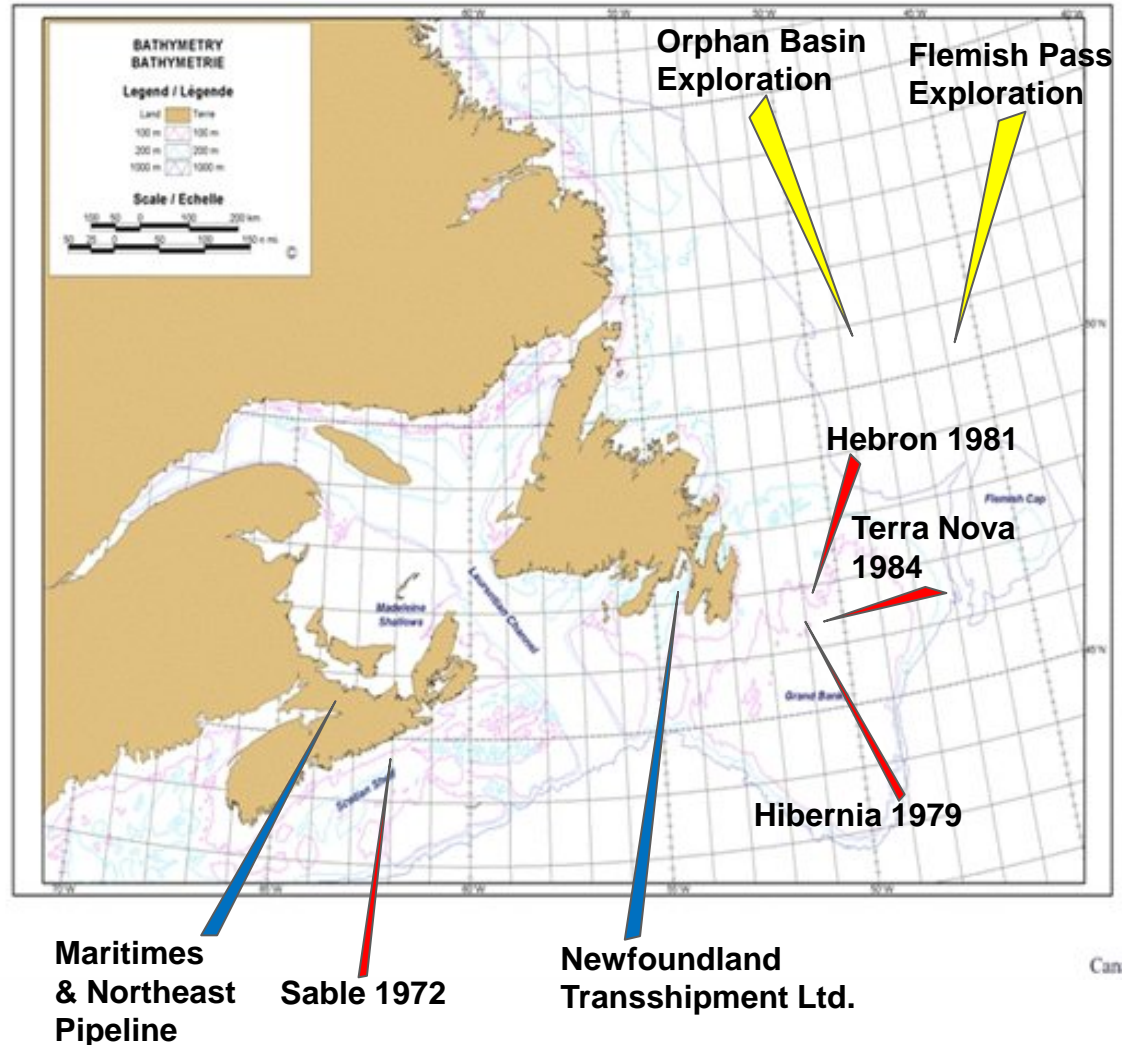
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Outline



ExxonMobil in Eastern Canada

- ExxonMobil (EM) Canada
- EA Process - Experience and Observations
- Scope of EA Processes Review
 - Oversight / Coordination
 - Science and Public Interest
 - Citizen Input / Expert Participation
 - Technology
 - Engaging Indigenous Groups
- Summary



Current Production and Development



Hibernia (HMDC Operated)

- 1997 production start for gravity based structure - Grand Banks offshore NL
- Hibernia Southern Extension start up in 2011
- Oil production to transshipment facility or market by tanker
- Approaching 1 billion barrels total production
- Significant regional economic and infrastructure benefits

Sable Offshore Energy Project



Sable (EM Operated)

- 1999 production start in Nova Scotia
- Canada's first offshore natural gas project
- New source of clean energy
- Significant regional economic and infrastructure benefits

Hebron



Hebron (EM Operated)

- Currently under development in NL
- Gravity based structure to be located on Grand Banks
- First oil target date 2017
- Significant regional economic and infrastructure benefits

EA Process – EM Experience and Observations

- **EA's conducted for Exploration, Development and Production projects**
 - In progress for potential eastern Newfoundland exploration drilling
 - Stakeholders engaged, long term relationships in region
- **Process coordinated by offshore oil and gas regulators**
 - Strongly support designation as Responsible Authority
- **Regulator approved monitoring programs implemented**
 - Localized, short term impacts mitigated through environmental protection plans
 - Monitoring production projects through life
 - Results published and EA predictions confirmed
 - EA validity confirmed through regulatory permit process
- **Current EA process for lands acquisition inefficient**
 - Land parcels awarded following nomination – generally annually
 - New EA for each parcel results in consultation overload, regulatory inefficiency and a “cookie cutter” EA
- **Review of EA processes is timely**

EA - Processes Review

Thorough Oversight and Coordination

Empowering the knowledgeable regulator

- Include offshore oil and gas regulators as Responsible Authorities

Coordinating inter and intra-governmental activities

- One project, one assessment, one decision
- Remove overlap and duplication

Employing a balanced approach

- Protect sensitive environments
- Foster economic growth, energy security and reliability

Ensuring a timely, predictable and transparent process

- Maintain mandatory timelines
- Continue a project list approach to assure certainty
- Establish boundary conditions for EA

EA - Processes Review

Science Based Decisions and Serving the Public Interest

Responsible Authorities (RA's) engage stakeholder expertise

- Continue to require RA's to engage appropriate government departments
- Provide opportunity for stakeholder experts
- Establish timelines for input to support process efficiency

Utilize existing science

- Data exists - results from monitoring and research projects available
- Research is peer reviewed and considered credible

Employ a risk-based approach

- Recognize the consequences and probability
- Assess alternatives
- Develop mitigations commensurate with the risk
- Do not proceed if high consequence / high probability risk cannot be mitigated

EA - Processes Review

Input of Citizen Views / Expert Participation

Current process allows for input

- Establishing process timelines helps focus input
- Science, facts and evidence can sometimes be at odds with views
- Project list approach and elimination of duplication supports optimum use of expert resources

Improve process efficiency to optimize participation

- Minimize inter and intra-government duplication
- Repetitive EA's for the same activity in the same regional environmental setting is inefficient
- Reduce stakeholder fatigue

Improve process efficiency to enhance capacity

- Leverage strategic EAs conducted by the offshore regulator, for early input
- Multi-operator regional assessments can reduce regulatory and stakeholder duplication and assess cumulative effects

EA - Processes Review

Applying Technology

Current application of technology

- Deploying advanced technologies on a daily basis
- Ensures safe, reliable, cost effective and environmentally responsible operations
- Supporting local, national and international R&D

New technologies - cost / benefit considerations

- Can be part of risk mitigation
- Must be cost effective and provide a net environmental benefit
- Cannot be relied on solely to eliminate environmental consequences

Responsible environmental management

- Safety, Security, Health & Environment (SSHE) culture built on strong management systems
- Includes policies, procedures, equipment, qualified people and systems

EA - Processes Review

Enhancing Engagement Capacity of Indigenous Groups

Engagement

- ExxonMobil Canada committed to engaging indigenous groups and fostering relationships

Seek opportunities to optimize participation

- Continue to respect traditional practices, decision-making processes, cultural activities and language
- Appropriate timelines for meaningful consultations
- Reduce consultation fatigue
- Minimize inter and intra-government duplication

Summary

- ExxonMobil Canada committed to conducting our activities in a safe and environmentally responsible manner
- Certainty and predictability in the EA Process is key to ensuring a thorough, transparent and science based assessment
- Offshore oil and gas regulators well positioned to be responsible authorities
- Maintain certainty through designated project list and defined timelines
- Process must balance risk and benefits
- Committed to engaging with indigenous groups and stakeholders

ExxonMobil