



December 22, 2016

Submitted via e-mail: EAreview_ Participation@Canada.ca

Re: Expert Panel Review of Environmental Assessment Processes

Dear Panel members:

The BC LNG Alliance (BCLNGA) comprises British Columbia's (BC) seven leading liquefied natural gas (LNG) proponents with proposed projects located in Delta, Squamish and along BC's north coast. The BCLNGA's purpose is to support the efficient and responsible development of a globally competitive and environmentally sustainable LNG industry in BC.

The BCLNGA appreciates the opportunity to submit comments to the Government of Canada through the "Expert Panel Review of Environmental Assessment process." BCLNGA fully supports the mandate of the review, which is to *"regain public trust and help get resources to market and introduce new, fair environmental processes."* We agree public confidence in the environmental assessment (EA) process is vital to our industry.

Recommendations on effective EA processes:

The BCLNGA recognizes the technical, socio-economic and scientific requirements associated with the CEAA processes are comprehensive and well established. Therefore, we recommend the focus of the 2016 CEAA review be on clarifying regulatory, legal and decision-making processes, adherence to these processes and enhancing regulatory certainty. Capital mobility means that investments in Canadian LNG projects are dependent on regulatory certainty, including predictable timelines, and fiscal competitiveness.

BCLNGA acknowledges the following overarching items incorporated in the Canadian Environmental Assessment Act, (CEAA, 2012) as working well in the current EA processes:

- 1) One Project, One Assessment.
 - a) BC's Substitution through the BC Environmental Assessment Office (EAO) reduces duplication without diminishing CEAA's engagement, authority, or ability to meet their mandate. For instance, the BC EAO has been effectively substituted for the

CEAA in connection with a number of BC’s LNG projects including LNG Canada, Kitimat LNG, and Woodfibre LNG.

b) Identifying the lead agency or Responsible Authority (RA) for an EA is an improvement. Continue to require the RA to engage appropriate government departments and not diffuse accountability across Government departments.

2) Timelines and focused project lists make the process fair for all participants.

3) Reasonable CEAA funding to facilitate engagement of directly impacted people with limited resources is an important part of the process.

In accordance with the 2016 EA Review Submission Guidelines, BCLNGA offers recommendations and comments using the Panel’s consultation themes. The BCLNGA is aligned with the Canadian Association of Petroleum Producers (CAPP) and the BC Business Council on many of our observations. To summarize by submission themes, we advocate for EA processes that:

EA Review Themes	BCLNGA Comments
<p>Environmental assessment in context</p>	<ul style="list-style-type: none"> • Supports science, evidence and fact-based decision making • Balances the environmental, social and economic interests • Is fair with prescribed timelines and focused project lists • Reduces duplication between various levels of government • Provides clarity and flexibility for addressing subsequent project changes
<p>Overarching Indigenous considerations</p>	<ul style="list-style-type: none"> • Is inclusive of Indigenous knowledge to identify and mitigate potential impacts • Supports early engagement of those directly impacted • Supports reconciliation and the principles of the UN Declaration on Rights of Indigenous Peoples, in a manner consistent Canadian Constitution and Law
<p>Planning environmental assessment</p>	<ul style="list-style-type: none"> • Ensures clear jurisdiction and agency coordination, including “One-Project, One Assessment”, minimizing duplication • Provides certainty for all participants using project lists and prescribed timelines
<p>Conduct of environmental assessment</p>	<ul style="list-style-type: none"> • Is a planning and decision-making tool to determine how projects fit within existing policy, not used to create or consult on new policies • Is adequately resourced with experienced professionals • Requires the Responsible Authority to engage appropriate government departments • Technology selection considers environmental performance, as well as other important factors such as safety, cost, reliability, etc.

<p>Decision and follow-up</p>	<ul style="list-style-type: none"> • The Province has the exclusive decision-making authority for resource development, except where the project impacts matters of federal jurisdiction • The CEAA,2012 should provide project proponents with an ability to amend a Decision Statement to account for subsequent projects changes. This would give project proponents the ability to make subsequent changes to a project, as project engineering advances, to decrease project impacts where possible. Such a process should be designed to correspond with the nature the proposed project changes (i.e., the more simple the proposed change, the more simple the corresponding process).
<p>Public involvement</p>	<ul style="list-style-type: none"> • Promotes early engagement with directly impacted people, as well as improved public transparency related to monitoring decision conditions
<p>Coordination</p>	<ul style="list-style-type: none"> • Uses Substitution to avoid duplication, and recognizes the successful track record that the BC EAO has in delivering Substitution.

See Appendix A for detailed comments.

Comments on the review of *Fisheries Act* and *Navigation Protection Act*:

About the *Fisheries Act* and the *Navigation Protection Act*, also under consideration by a separate Parliamentary Committee, as part of the 2016 CEAA review, we offer the following comments:

***Fisheries Act*:** The 2012 statutory amendments to the *Fisheries Act* did not materially change the law of fish habitat protection in Canada, and thus no further changes should be made following the federal government’s review. We do agree the Act is properly focused on higher risk fisheries. However, the statutory timelines that have been built into the authorization process are ineffective, and do not in practice, create the regulatory certainty that was intended.

***Navigation Protection Act (NPA)*:** The protections afforded to Canadian waters still exist under the NPA, and thus, no further changes should be made following the federal government’s review. The Navigation Protection Act needs to be focused on navigation, not broader environmental concerns, which are addressed through other legislation or policies.

Conclusion:

In conclusion, we submit that having a predictable, timely and transparent CEAA process is critical to a regulatory system in Canada that is a global benchmark, which maintains public trust and provides a framework to build energy infrastructure that protects the environment and benefits all Canadians.

Canada’s LNG sector can play a key role in meeting increasing global demand for natural gas, and aid in Canada’s contribution as a global climate leader. Natural gas-fired power generation has 50% less carbon emissions, on a life cycle basis, than coal-

fired power generation. The export of Canada's natural gas as LNG to countries seeking to reduce their dependence on coal is one of the most significant environmental contributions that Canada can make to reduce global emissions¹. This demand for cleaner energy can be provided by Canada, with one of the world's most stringent environmental regulatory frameworks, or by jurisdictions with weaker climate policies.

While the environmental benefits for natural gas is clear, fostering the development of LNG is also a historical opportunity to work with Canada's Indigenous people to build a sustainable industry that integrates traditional knowledge and creates local and regional prosperity. According to the Conference Board of Canada, the sector, based on a 30 million tonne per annum (mpta) LNG value chain, will contribute more than \$7.4 billion annually to Canada's GDP and support 65,000 jobs per year. Indigenous people and local communities in proximity to the LNG projects will receive a significant component of these benefits.

Thank you for the opportunity to provide comments. The BCLNGA supports an EA process that fosters greater public confidence and contributes to regulatory certainty and industry competitiveness. The BCLNGA looks forward to continued meaningful dialogue and consultation with Environment and Climate Change Canada on the EA review, as well as on the steps necessary to establish a globally competitive LNG industry in Canada.

Sincerely,

David Keane
President and CEO
BC LNG Alliance

cc:

Honourable Mary Polak, Minister of Environment and Minister responsible for the BC Climate Action Secretariat, Province of British Columbia

Honourable Rich Coleman, Minister of Natural Gas Development, Province of British Columbia

BC LNG Alliance Board

¹ US DOE, May 2014 – LCA of Natural Gas Extraction and Power Generation, National Energy Board of Canada – LNG Energy equivalents, Environment Canada – Summary of Canadian 2013 GHG Emissions.

Appendix A

BC LNG Alliance comments on the 2016 EA Review

In accordance with the 2016 EA Review Submission Guidelines, the BCLNGA offers recommendations and comments regarding the following Panel consultation recommended themes²:

1. Environmental Assessment in Context,
2. Overarching Indigenous Considerations,
3. Planning Environmental Assessment,
4. Conduct of Environmental Assessment,
5. Decision and Follow-Up,
6. Public Involvement, and
7. Coordination.

#1 Environmental Assessment in Context

Q2: What outcomes do you want federal environmental assessment processes to achieve in the future?

- The BCLNGA support an EA process that will:
 - Be thorough and transparent, including the continuation of a project list approach to ensure certainty;
 - Be science, evidence and fact-based, and consider input received from public and NGOs;
 - Be timely and predictable – maintain mandatory timelines; in some cases, timelines have been a significant problem, and industry requires regulatory certainty.
 - Coordinate inter and intra-governmental activities – “One Project, One Assessment, One Decision.” Where possible, CEAA and the BC Government should agree on Substitution for projects that are proposed for federal lands;
 - Incorporate Indigenous knowledge;
 - Be flexible and clear on how to address subsequent project changes according to the degree of any predicted changes to the original decision/outcome; and
 - Inspires public confidence.

Q4: How should federal environmental assessment processes address the Government of Canada’s international and national environmental and social commitments, such as sustainable economic growth and addressing climate change?

- One of the best opportunities for reducing global greenhouse gas emissions is the development of BC’s LNG industry. Uncertain, protracted EA processes erode global competitiveness and confidence, resulting in LNG investment cancellation or delays.

² Within each of the Panel’s themes, the BCLNGA will address some of the proposed questions.

Through BC's *Greenhouse Gas Industrial Reporting and Control Act*, the Government of BC established a GHG emissions intensity benchmark for LNG operations of 0.16 carbon dioxide equivalent tonnes for each tonne of LNG produced (tCO₂e/tLNG). This is the toughest emissions intensity performance standard globally, making BC's LNG plants the cleanest in the world. Additionally, along with the highest carbon prices in the industry, the LNG sector should be recognized as a trade exposed industry, and provided with the appropriate protection.

#2 Overarching Indigenous Considerations

Q2: How is the need to address potential impacts to potential and established Aboriginal and treaty rights best incorporated into the federal environmental assessment process?

- Early engagement with Indigenous people can mitigate potential impacts and result in improved projects. The BCLNGA recommends that appropriate timelines for consultation be defined to support both parties.

Q5: How can the practices and procedures associated with federal environmental assessments, as well as the process itself, support the Government of Canada's goal of renewing the nation-to-nation relationship with Indigenous Peoples and moving forward towards reconciliation?

- The BCLNGA recognizes the UN Declaration on Rights of Indigenous Peoples as a framework for reconciliation in Canada. We support the implementation of its principles in a manner consistent with the Canadian Constitution and law.

#3 Planning Environmental Assessment

Q2: For project environmental assessments, do you think the current scope and factors considered are adequate?

- Environmental assessments are tools for project planning, decision-making, gathering data, and should balance environmental, economic and social impacts. The EA process should not be used to address larger public policy debates.
- The BCLNGA supports One Project, One Assessment, recognizing that in addition to the EA, proponents have numerous licenses, permits and approvals/authorizations to receive throughout the lifecycle of a project.
- The BCLNGA supports the following items that were incorporated in CEAA 2012:
 - Greater certainty surrounding the requirements for an EA through replacement of triggers with a project-list approach;
 - Substitution through the BC EAO reduces duplication without diminishing CEAA's engagement, authority, or ability to meet their mandate;
 - Legislated time limits that allow for effective engagement; and
 - Environmental effects definition focused on effects to areas within federal jurisdictions.

#4 Conduct of Environmental Assessment

Q1: Who should be responsible for conducting federal environmental assessments?

- Identifying the lead agency or Responsible Authority (RA) for an EA is an improvement. Continue to require the RA to engage appropriate government departments. Proponents should continue to conduct the EA.

Q3: How can environmental assessment processes be improved to ensure a timely, yet thorough process has been conducted?

- The BCLNGA supports the following further changes to CEAA 2012:
 - Development of Environmental Impact Statement (EIS) guidelines to ensure that EIS submission addresses the concerns of the Agency; and
 - Define format and process for handling information requests, including the opportunity to provide draft material in advance, saving time and resources.
- Other recommended improvements relate to utilizing science and technology, efficient and collaborative approaches and timelines:
 - The Major Project Management Office could play a supportive role in ensuring timelines and engagement of appropriate federal agencies. It is also recommended that proponents have the ability to discuss issues with appropriate departments.
 - Streamline screening of Project Defining (PD) process. The PD development is sufficiently onerous now that requires significant work to complete and lock-in of design – this limits flexibility and delays early engagement.
 - Utilize existing science benefitting from peer review, credible monitoring and ongoing research.
 - Technology selection should consider environmental impacts as well as safe and efficient environmental and operational performance, economic feasibility and best business practices.
 - Additional clarity and guidance on the assessment of human health-related effects should be reviewed and implemented for BC.

#5 Decision and Follow-Up

Q2: What would a fair, transparent and trustworthy decision-making process look like?

- Regarding decision-making process, the BCLNGA offers comments related to CEAA engagement with proponents, and jurisdiction:
 - The BCLNGA advocates that CEAA update proponents on scope and timeline of inter and intra- government discussions and linkage with EA decision process; and
 - A “Lessons Learned” session should also be held between the proponent and

CEAA at the end of each EA process to document what was done well, and what could have been done better.

- BCLNGA agrees with the position that the Province should have the exclusive decision-making authority for resource development projects, except where the project is on federal lands. Decisions should inform approval and monitoring conditions in areas that proponent has ability to act. The EA is an important, but still a snapshot in the life of project. If approved, lessons learned needs to transition to operating approvals.

Decision-making needs to effectively recognize and anticipate the potential for subsequent project changes and how these changes can be most efficiently and clearly addressed within the original Decision Statement(s)

#6 Public Involvement

Q1: What do you think meaningful, effective and inclusive participation in the environmental assessment process looks like?

- The EA process promotes early engagement, as well as improved public transparency related to monitoring conditions.
- BCLNGA also recognizes that to facilitate effective engagement with directly impacted people, continued CEAA funding may be required to support this involvement. Engagement and funding needs to be focused on directly impacted (vs all interested) people to ensure full participation of local Indigenous people and communities.

#7 Coordination

Q2: To what extent is the current approach to substitution and equivalency effective?

- BC's Substitution reduces duplication without diminishing CEAA's engagement, authority, or ability to meet their mandate.
- Review of the BC legislated approach to Environmental Assessment Certificate amendments needs to be considered in light of Substituted Decision Statement(s)