



Environmental Assessment in the Atlantic Canada Offshore Context

Presentation to the CEAA Expert Panel

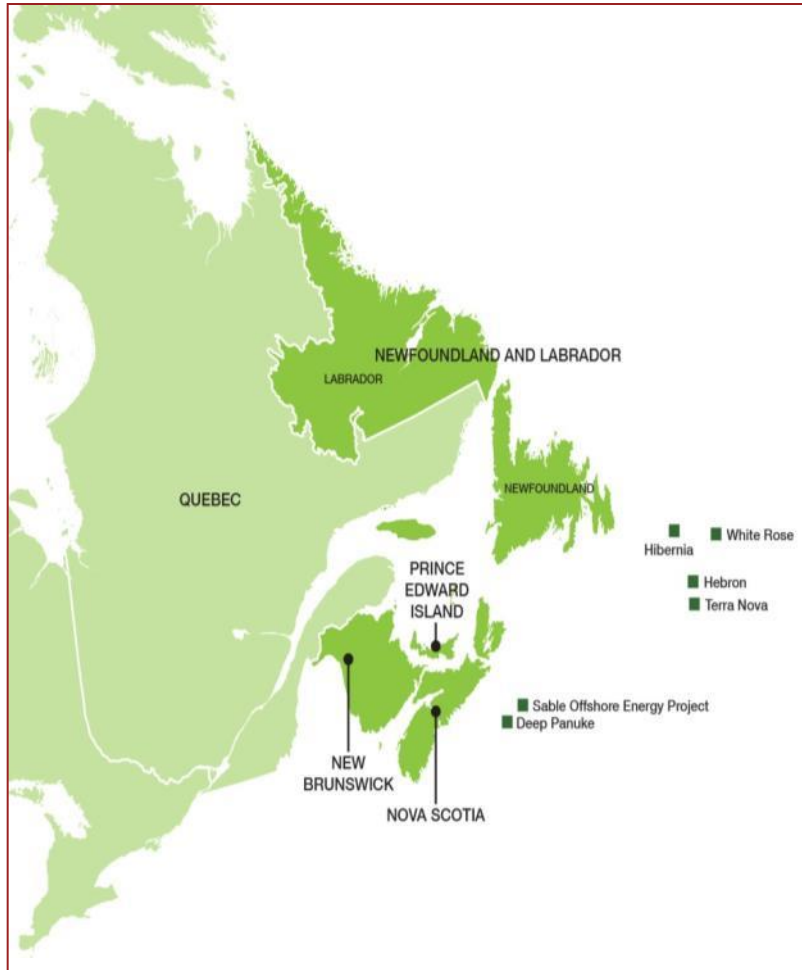
Presentation Overview

- **CAPP**
- **Overview of Atlantic Canada offshore EA process**
- **Unique aspects of offshore marine environment and offshore projects**
- **The EA process – current challenges and opportunities for improvement**
- **Concluding Remarks**

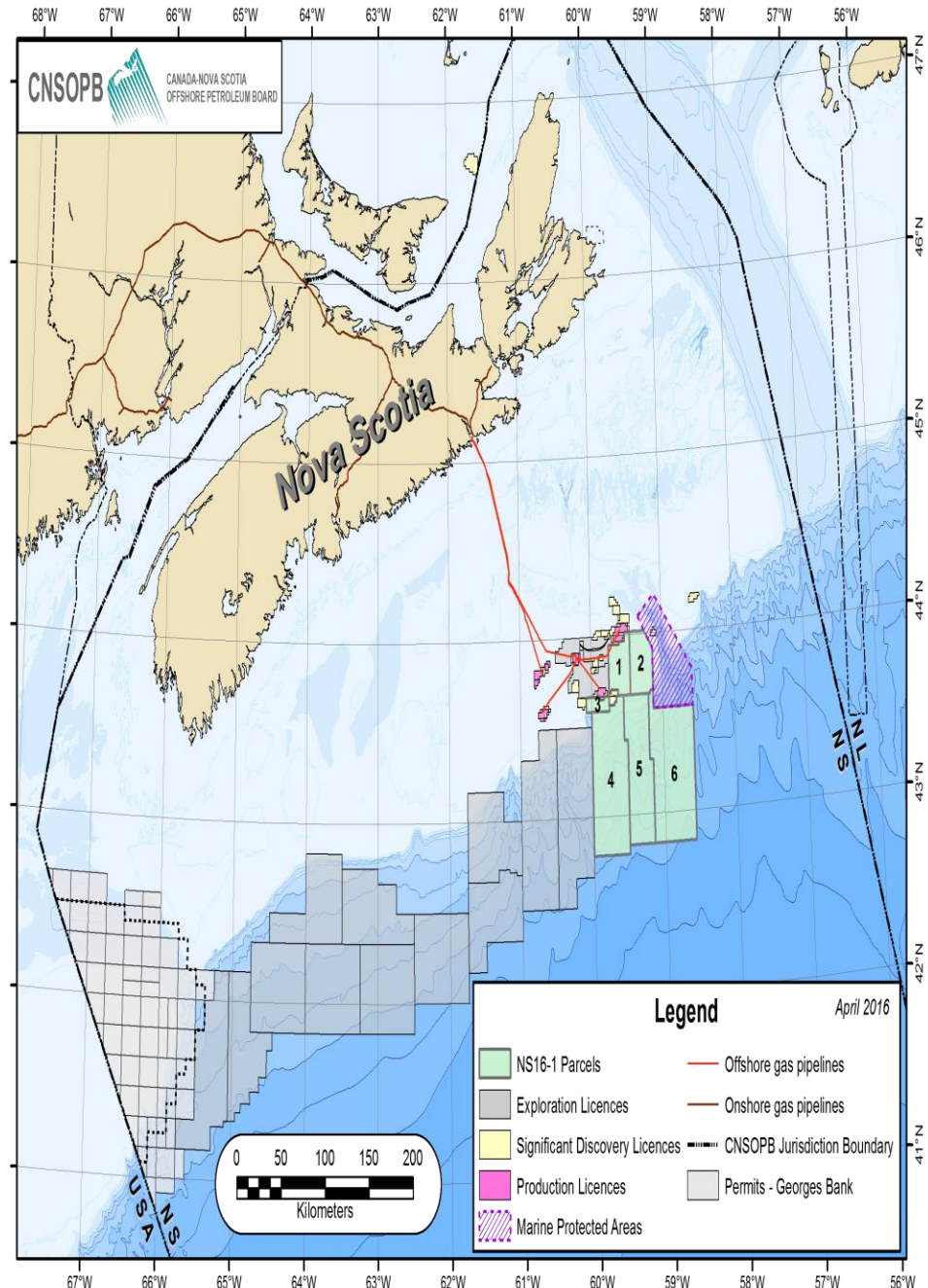
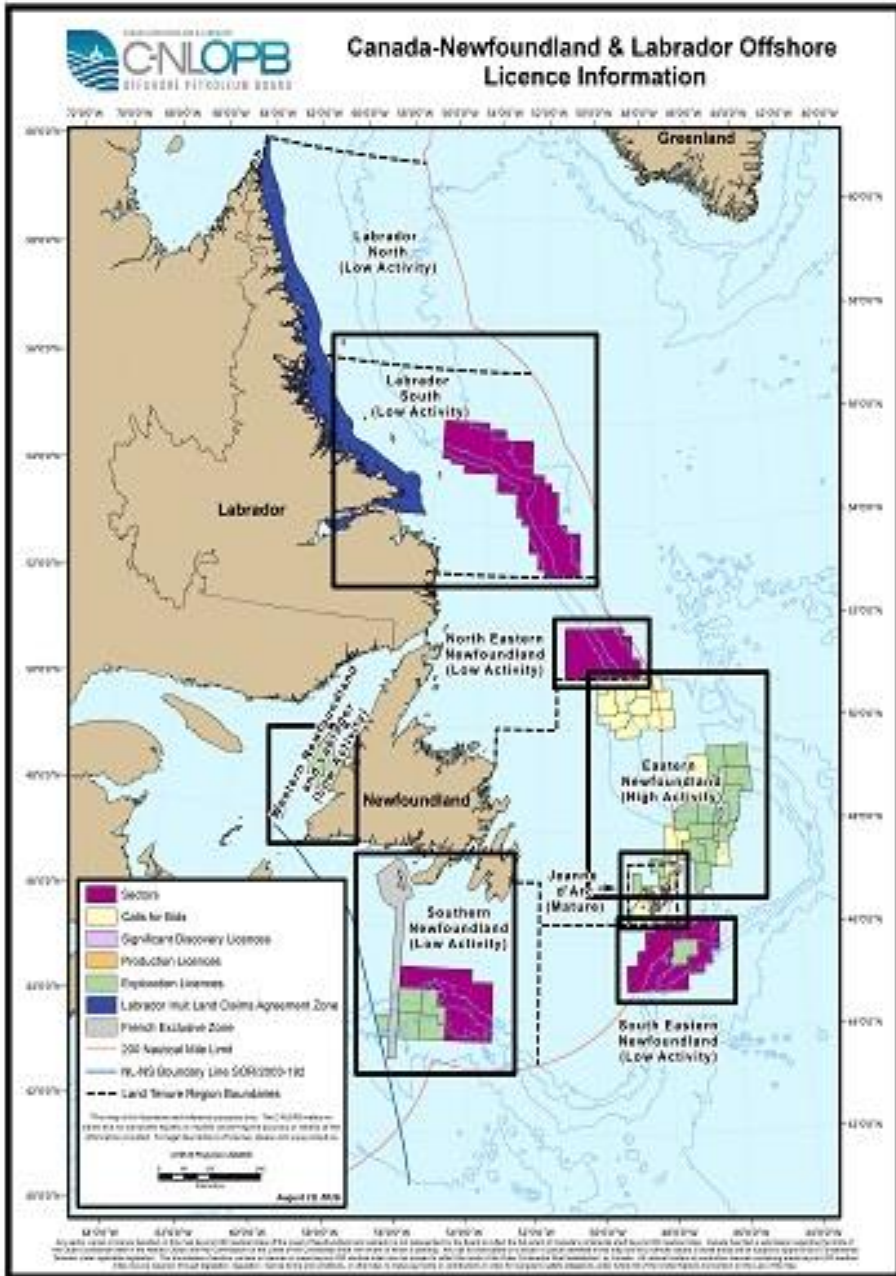
Canadian Association of Petroleum Producers (CAPP)

- **Represents Canadian oil & gas sector (~ 100 member companies)**
- **Members explore for, develop and produce natural gas, natural gas liquids, crude oil, and oil sands throughout Canada**
- **Members produce about 85 per cent of Canada's natural gas and crude oil**
- **Key focus areas:**
 - Education
 - Communications & outreach
 - Policy & regulatory advocacy
 - Industry performance

Overview of Atlantic Canada Offshore Oil and Gas Operations



- **The Atlantic Canada region contributes significantly to Canada's overall oil and gas industry**
 - Directly employs more than 9,000 people and thousands more indirectly
 - Supports 800 local supply/service companies
 - Capital investment since 1995 – more than \$40 billion
 - Focused on safe and responsible exploration, development and production



Unique aspects of offshore marine environment and offshore projects

- **Current Atlantic Canada oil and gas projects are:**
 - Located between 200-500 kms offshore
 - Located in remote, harsh (wind, waves, ice) offshore locations
 - Interaction with people is limited
 - Scale
 - Movement through areas
 - Ongoing consultation with stakeholders – e.g. One Ocean in NL and Fisheries Advisory Committee, NS

Brief history of offshore EA process

- **The Offshore Petroleum Boards (CNSOPB and C-NLOPB) are responsible for ensuring the protection of the environment during all phases of petroleum activities offshore NS and NL.**
- **The Offshore Petroleum Boards are required to conduct an EA of all proposed activities and projects before they may issue authorizations, licenses and permits.**
- **In support of the authorization process, the operator must submit an EA in accordance with the CEA Act and environmental protection plan (EPP) in the case of exploration drilling programs and production activities and a spill contingency plan.**
- **Highly regulated with comprehensive oversight by the Boards. Offshore Petroleum Boards experience and expertise in environmental assessment for exploration and production and should be designated Responsible Authorities.**
- **Pre-CEAA 2012, the Boards led and managed all EA's for offshore exploration and production oil and gas activities required under the Accord Acts and CEAA 1992.**
- **Scope and content of the EA's were focused for the offshore environment and oil & gas activities.**
- **Since 2002 :**
 - 26 EA's completed in NS
 - 11 Strategic EA's completed in NS
 - 42 EA's completed in NL
 - 4 Strategic EA's completed in NL

The EA process current challenges– Exploration Drilling

- **Section 10 (Exploration Drilling) of the regulation designating projects under CEAA 2012 is unclear and not reflective of how exploration drilling programs actually occur.**
 - Exploration drilling short term duration (approximately 30-90 days/well)
 - Program may include multiple wells and multiple licenses
- **Licenses awarded annually by the Offshore Petroleum Boards, a narrow interpretation of section 10 would result in a EA required every year, for every operator that obtains a license.**
 - Stakeholders and regulators would see an exponential increase in requests for engagement and project reviews
- **Replaced previous EA process by the Boards (i.e. holistic assessment of Drilling Program) with a CEAA 2012 process that is a fragmented, repetitive license by license approach (challenging for cumulative effects assessment, as it is difficult to quantify cumulative effects, stakeholder fatigue and increased resource requirements for the regulators.)**
- **Additional EA required by the Boards (Atlantic Accord requirements) for drilling on licenses previously drilled. Further fragmentation and duplication.**
 - An EA under CEAA 2012 can take 2 years of a 5 year license term

Designated Project – Exploration Drilling

- **Exploration drilling, under CEAA 1992, was assessed at a Screening Level and not as a Comprehensive Study.**
- **All drilling Environmental Assessments in NL and NS offshore have concluded that there are no significant environmental effects during routine drilling operations.**
- **Short term nature of program.**
- **Offshore Petroleum Board's experience and expertise in environmental assessment.**
- **Boards effectively administered exploration drilling EAs prior to CEAA 2012.**
- **Exploration drilling should not be a designated project under CEAA 2012.**

Concluding Remarks - General

- **Offshore Petroleum Boards experience and expertise in environmental assessment for exploration and production.**
- **The Offshore Petroleum Boards should be designated Responsible Authorities.**
- **Timelines and certainty regarding any changes to CEAA 2012 is paramount.**
- **Flexibility in the EA process is essential:**
 - Setting in offshore NS & Newfoundland is not the same –the industry/activity, physical environment, highly regulated and public confidence.
 - EA process should have the flexibility to address the scale and setting.

Concluding Remarks – Exploration Drilling

- **Exploration drilling should not be a designated project under CEAA 2012. Petroleum Board's EA process was holistic and effective.**
 - Current provision in regulation designating exploration drilling projects is unclear and leads to unnecessary fragmentation and duplication in EA

Thank You