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December 19, 2016

Ms. Johanne G  linas, Chair
Expert Panel Review of Environmental Assessment Processes
c/o Secretariat
160 Elgin Street, 8th Floor
Ottawa, Ontario
K1A 0H3

**Re: ExxonMobil Canada Submission to the
Expert Panel Review of Environmental Assessment Processes**

Dear Ms. G  linas:

I am pleased to have this opportunity provide the Expert Panel Review of Environmental Assessment Processes with this written submission of ExxonMobil Canada (EMC). The submission follows the EMC presentation to the Expert Panel in St. John's, Newfoundland and Labrador on October 5, 2016.

EMC believes that the review of environmental assessment processes is not only timely but important to future environmentally responsible economic development in Canada.

Background

ExxonMobil Canada (EMC) is a leading developer and producer of oil and gas off Canada's east coast. In Newfoundland and Labrador, EMC is the operator of the Hebron Project and the lead owner in the Hibernia Project. It has an interest in the Suncor-operated Terra Nova Project along with numerous exploration licenses offshore Newfoundland and Labrador. In Nova Scotia, EMC is the operator of the Sable Offshore Energy Project and has an ownership interest in the Maritimes and Northeast Pipeline which delivers natural gas to markets in Nova Scotia, New Brunswick and New England.

In Western and Northern Canada, EMC is involved in exploration for and production of crude oil, natural gas, synthetic crude oil and bitumen through assets operated by Imperial Oil Limited.

We have engaged with stakeholders during all phases of our activities in Canada – exploration, development and production. We have worked to establish long term relationships with the suppliers that support our activities and with the communities in which we operate.

Environmental Assessment Experience and Observations

The EMC exploration, development and production activities have been the subject of environmental assessments. These assessments have been reviewed and updated periodically to consider changes in legislation, learnings from environmental monitoring programs, new science or technology advances and feedback from stakeholders. Currently, EMC is progressing an environmental assessment for a potential eastern Newfoundland exploration drilling program.

Regulator approved monitoring programs are implemented for all exploration, development and production activities. The monitoring has confirmed that localized, short term impacts can be and are mitigated through environmental protection plans. The results are of the monitoring programs are published.

The lands acquisition process for offshore oil and gas activities is administered by the respective offshore petroleum regulator (the Canada – Newfoundland and Labrador Offshore Petroleum Board or C-NLOPB or the Canada – Nova Scotia Offshore Petroleum Board or CNSOPB) with parcels awarded following nomination, generally annually. The current requirement for a new environmental assessment for each parcel will generate a large number of similar EA documents for the same geographic area. This will lead over time to stakeholder fatigue, regulator overload and a standard or routine assessment report, which ultimately contributes to process inefficiency.

Process Improvement Opportunities

Regulatory certainty, including a clear definition of assessment scope, clarity on when assessments are triggered, legislated timelines and coordination with the provinces to avoid duplication are all critical to maintaining the competitiveness of our global industry and should be enhanced. EMC are suggesting a number of process improvement opportunities, which if implemented, would contribute to enhanced efficiency while maintaining effective environmental assessment and protection. These opportunities are discussed further below.

In eastern Canada oil and gas related assessments have been coordinated by the respective offshore petroleum regulator (C-NLOPB or CNSOPB). In addition to the necessary legislative and regulatory tools required to effectively implement their mandate, these regulators have the necessary experience, knowledge and skills to fulfill the role of a Responsible Authority under the Canadian Environmental Assessment Act. Based on this, EMC strongly supports the designation of the C-NLOPB and CNSOPB as Responsible Authorities under CEAA.

Coordination of inter and intra-governmental activities with respect to environmental assessments will remove the existing overlap of various agencies and reduce duplication of effort for all stakeholders, while ensuring high-quality environmental assessments and environmental protection. The ultimate objective should be one project with one assessment and one decision.

The timeliness, predictability and transparency of the assessment process can be assured through establishing and maintaining mandatory timelines as well as clear boundary conditions. The current project list approach helps assures a measure of certainty and should be maintained.

The Responsible Authorities should seek to engage appropriate levels stakeholder expertise as well as appropriate government departments for input. Timelines for stakeholder and agency input should be established in order to support process efficiency. Input to the process should include existing data gathered from monitoring and research programs. The research has been peer reviewed and is considered credible.

The assessment process should employ a risk based approach that recognizes both the consequences and probability and assesses alternatives. Mitigations should be commensurate with the risk and in situations presenting high consequence / high probability risk that cannot be mitigated the proposed activity should not be permitted to proceed.

While the current assessment process allows for input from citizens and experts, this can be enhanced by reducing the duplication observed with the standard or routine assessments, and establishing process timelines to focus the input.

Both the C-NLOPB and CNSOPB have conducted strategic environmental assessments for areas under consideration for oil and gas activities. Leveraging these assessments while conducting a CEAA mandated assessment will help improve the overall efficiency and outcome. As well, multi-operator regional assessments, conducted following the awarding of land parcels, can reduce the duplication currently experienced by regulators and stakeholders.

EMC has supported the development and deployment of technology on regular basis. The technology has helped ensure safe, reliable, cost effective and environmentally responsible development and operations. However, the application of new technologies must be cost effective and provide a net environmental benefit. It cannot be relied on solely to eliminate environmental consequences but must be part of an overall environmental management system that incorporates policies, procedures, equipment and qualified people.

We are committed to engaging groups in the planning and execution of our exploration, development and production activities. For example, Indigenous groups were active participants in the environmental assessment process for the Sable Project in Nova Scotia. Following the public review process and prior to the construction of the onshore pipelines associated with the Project, a Traditional Ecological Knowledge Study was completed by local area Indigenous groups. The study was comprised of hundreds of interviews of key band elders, harvesters and others Indigenous natural resource experts. The interview information was used to pinpoint key potential locations along the pipeline route which were or may have had a high likelihood of being traditional cultural or environmental use areas. The information was used to confirm the final pipeline route and support environmental protection plans for construction and operation.

EMC believes that engagement capacity of Indigenous groups can be enhanced by optimizing participation in an efficient process that minimizes duplication and provides for appropriate timelines that allow for meaningful engagement and consultation.

Conclusion

In conclusion, EMC is committed to conducting our activities in a safe and environmentally responsible manner. The certainty and predictability of the environmental assessment process is a key factor in ensuring a thorough, transparent and science based assessment. The existing designated project list coupled with defined timelines is one way to maintain certainty.

Based on their knowledge, experience and the existing legislative and regulatory framework, the offshore oil and gas regulators (C-NLOPB and CNSOPB) are well positioned to fulfill the role of Responsible Authorities under CEAA. Both regulators have established strong linkages with the Federal Departments that would support a fair and efficient environmental assessment for oil and gas activities.

EMC appreciates this opportunity to provide our perspective on improving the Federal environmental assessment process and would like to thank the members of the Expert Panel for their work on this important matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Hanna Janzen', is positioned below the word 'Sincerely,'.

Hanna Janzen, P.Eng.
Safety, Security, Health and Environment Manager
ExxonMobil Canada