

Strengthening Environmental Assessment in Canada
Suncor Submission to the CEAA Review Panel

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Executive Summary

Suncor welcomes this opportunity to contribute to the Canadian Environmental Assessment Act (CEAA) Expert Review Panel as it undertakes the current CEAA review. We support a process designed to strengthen public confidence in environmental assessment in Canada, while providing clarity and certainty of process and outcomes.

Suncor believes there are three key priorities for this review of the Canadian Environmental Assessment Act:

1. The Act should serve the broader public interest with accountability to project proponents, Aboriginal Peoples/groups with interests or activities in/near the proposed project area, and directly affected stakeholders.
2. The Act needs to clearly articulate the role of federal environmental assessment in the Canadian context.
3. The Act needs to provide proponents flexibility to meet pre-determined environmental outcomes in the most effective and efficient way possible.

Priority One: Accountability

Reviews conducted under CEAA must serve the public interest and be accountable to three groups: project proponents, Aboriginal Peoples/groups with interests or activities in/near the proposed project area, and directly affected stakeholders.

Suncor supports the federal government's commitment to reconciliation with Aboriginal Peoples through renewed, government-to-government relationships based on recognition of rights, respect, co-operation and partnership. As part of our ongoing engagement and project specific consultation with Aboriginal communities and land users, we identify potential impacts of proposed projects on treaty and Aboriginal rights. Suncor also incorporates Traditional Knowledge (TK) and Traditional Land Use (TLU) information into project planning, as well as information that may be submitted as part of the CEAA process.

Suncor supports a framework for both project proponents and the government to more meaningfully and effectively engage with Aboriginal communities as part of the CEAA process, so that issues are better identified and mitigated. Suncor commits to working collaboratively with Aboriginal communities and governments through a process to better understand how the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP) and specifically Free, Prior and Informed Consent (FPIC), may be better achieved within the CEAA process.

Project proponents have the responsibility to support the Crown through direct engagement and partnership with Aboriginal peoples/groups and affected stakeholders; however greater clarity and coordination is required to ensure that proponent consultation and government consultation is culturally appropriate, not duplicative, nor place undue burden on those affected.

In order to maintain accountability, CEAA must maintain the integrity of the hearing process and avoid having project reviews become the only venue for a debate on broader public

policy. Reviews must allow those most directly affected by the outcome of a particular project the greatest opportunity to participate and have a voice in the process. Input from affected stakeholders can get diluted when the process is used for purposes other than gathering information about the specifics of a particular project. Furthermore, the delays caused by regulatory hearings that go beyond their intended scope are costly for proponents, affected stakeholders, and Indigenous Peoples.

Priority Two: Clear Role

As the CEAA legislation has evolved over the years, so have Canadians' interpretation of its role. However, the original intent has remained the same.

Canadian Environmental Assessment Act - Purpose over the Years:

- **1992 Act:** 4(1)(a) to ensure that the environmental effects of projects receive careful consideration before responsible authorities take actions in connection with them;
- **2003 Act:** 4(1)(a) to ensure that projects are considered in a careful and precautionary manner before federal authorities take action in connection with them, in order to ensure that such projects do not cause significant adverse environmental effects
- **2012 Act:** 4(1)(b) to ensure that designated projects that require the exercise of a power or performance of a duty or function by a federal authority under any Act of Parliament other than this Act to be carried out, are considered in a careful and precautionary manner to avoid significant adverse environmental effects

CEAA has been a means for gathering information about projects so that environmental effects are considered in federal decision-making. In other words, CEAA is a process to **assess residual environmental risk** in areas of federal jurisdiction.

Canada has robust environmental assessment processes that can often span multiple levels of government and agencies for one project application. Sometimes these multiple layers of reviews examine different areas and contribute to stronger outcomes.

In Alberta, however, it is not unheard of for a particular project to undergo up to three levels of regulatory review, with diminishing returns. As an example a project changing from boilers and heaters to co-generation could potentially be subject to a review from the Alberta Energy Regulator, the Alberta Utilities Commission, and the Canadian Environmental Assessment Agency. These types of duplicative reviews can add years to project application timelines, rarely increase the understanding of potential environmental impacts, do not result in any measures that incrementally protect the environment and can have a detrimental effect on investment in Canada.

CEAA should have a timely and transparent process that accents, not duplicates, provincial reviews. Abiding by the principle of **'One Project, One Assessment'** would allow the Canadian Environmental Assessment Agency to give priority to continuously enhancing coordination, harmonization, and equivalency provisions while recognizing existing regulatory policies and mechanisms.

To eliminate redundancy, we propose four categories of federal environmental assessment. To meet the intended objectives, the Federal Government would need to set consistent standards in areas of federal jurisdiction to be met or exceeded by provinces and project proponents. Once the standards are in place, different levels of assessments would apply depending on the project:

- 1. A provincial/local led review:** This type of review would occur when a robust provincial/local review exists and meets federal standards in areas of federal jurisdiction. The province would take full responsibility for the environmental assessment, which would eliminate unnecessary duplication.
- 2. A screening level assessment for ‘Improved Performance’:** In this case, proponents applying to make environmental improvements (e.g. lowering GHGs or water usage) to their approved projects/facilities, both greenfield or brownfield, would undergo a screening process. Proponents would submit a concise project description to the Agency that would show how they were improving their environmental footprint within an existing approval.

Using the example from earlier, under the current system, proponents who have an approval for a project where there is an opportunity to replace older boilers and heaters could be discouraged from applying lower carbon technology such as co-generation, or other forms of power, by the potential for a lengthy and costly CEAA review. In this example, cogeneration has the potential to significantly improve Canada’s emission performance without any additional negative environmental footprint or change in production. The window of opportunity for these types of improvements is often small, such as during a turnaround, and a full review could make it unworkable.

- 3. A targeted CEAA review:** This type of review would apply when a robust provincial/local review exists, but one or more components of the provincial process do not meet the federal standard. In this case, the scope of review would be limited to the areas where the federal standard was not met.

An example would be the federal climate change strategy that assigns federal standards for carbon pricing. Any province that was meeting this standard would have proposed projects in their jurisdiction exempt from reviews on the basis of carbon emissions.

- 4. A federal led review:** In this case, the proposed project would be in federal jurisdiction. In this case, CEAA, or another federal agency, would be the lead for the review process and would proceed with a full CEAA review.

Circumstances that would lead to a full federal review:

- There is not an existing provincial/local review in place;
- Federal money has been committed to fund the project;
- Project is proceeding in an area of exclusive federal jurisdiction (i.e. federal lands); or
- Where trans-boundary impacts are not being addressed by the provinces affected.

Priority Three: Outcomes-Based

A well-designed CEAA process should foster an innovation culture which will help drive sustainable development. This means that CEAA should not take a one-size-fits-all approach to technology and should not discourage the implementation of environmental innovation.

The technologies selected for each project are different and depend on the characteristics of the resource, location, and assessment of the overall environmental net effects. As long as there are clear standards for what environmental outcomes must be achieved, proponents should be given the flexibility to determine the best technologies to meet those standards given the necessary variations in each individual project.

Many factors impact the sustainability of a project. For example, increasing the output from a facility while maintaining its environmental footprint is one of many ways that a project can be developed in a sustainable manner. Since 2007, Suncor has increased production while simultaneously decreasing water usage by 27%. As Suncor contemplated expansions of its facilities it was clear from ongoing engagement with local stakeholders and Aboriginal communities that increasing water withdrawals are a concern. Hence, Suncor improved its water management practices. These actions avoided a significant effect, as per the federal test, and contributed to the sustainability of the facility, both economically and environmentally.

Sustainability is core to our business. Suncor is constantly looking for ways to improve its environmental footprint, which can also have a significant effect on the company's bottom line. For example, the use of steam in Suncor's steam assisted gravity drainage operations requires the treatment of water to meet internal specification, heating the water to create steam, and separation of the water from the produced bitumen. These activities require effort, and by reducing the volume of water required, Suncor is able to both reduce its costs and lower the environmental footprint of its projects.

Conclusion

A successful environmental regulatory regime needs to be focused on desirable outcomes and accountable to Aboriginal Peoples/groups with interests or activities in/near the proposed project area. We look forward to continued engagement with the government and the Review Panel to strengthen CEAA and ensure Canadians are confident in the quality of the environmental assessment process.