


Via Email

March 4, 2016



Catherine Ponsford
Project Manager
Canadian Environmental Assessment Agency
Pacific and Yukon Regional Office
410-701 Georgia Street West
Vancouver, BC V7Y 1C6

Dear Catherine:

Subject: Pacific NorthWest LNG Comments on the Draft Canadian Environmental Assessment Agency Environmental Assessment Report and Draft Conditions

In your email communication of February 10, 2016, you provided Pacific NorthWest LNG (PNW) with an opportunity to review and comment on the draft **Canadian Environmental Assessment Agency (the Agency) Environmental Assessment Report** (EA Report) and the **Potential Conditions**.

We appreciate the opportunity to provide comment on the draft EA Report and the Potential Conditions.

Enclosures

Enclosed are the following:

1. Appendix I: Our letter dated March 4, 2016 and supporting documentation discussing the draft determination that the Project is likely to result in a significant adverse effect on Harbour Porpoise:
2. Appendix II: Our letter dated March 4, 2016 addressing the Agency's analysis of GHG emissions from Section 6.2 of the draft Environmental Assessment report;
3. PNW's comments on, and recommendations for edits to, the draft EA Report are set out in three documents:
 - Appendix III: Recommendations for edits to the Executive Summary and Sections 1 through 5 inclusive.
 - Appendix IV: Recommendations for edits to Section 6.
 - Appendix V: Recommendations for edits to Sections 7 and 8.
4. Appendix VI: A table of suggested edits to Appendix 11.5 – *Proponent's Proposed Mitigation Measures*;

5. Appendix VII: A table of suggested edits to Appendix 11.6 – *Summary of Aboriginal Consultations*: PNW is recommending edits to some of the text of Appendix 11.6;
6. Appendix VIII: A document summarizing our suggested revisions to the Potential Conditions.
7. Appendix IX: B.C. Ministry of Environment, Fact Sheet – Air Emissions; *Best Achievable Technology*, January 2012.

Discussion

PNW's detailed comments and recommendations are provided in the enclosures. However, we provide overarching comments on several of the important matters.

Appendix I: Harbour Porpoise

In these enclosures, we discuss the draft determination that the Project is likely to result in a significant adverse effect to Harbour Porpoise.

We understand from the draft EA Report that the determination was based on an interim report dating from the summer of 2015. We can advise that the final version of that report, incorporating a full year of marine mammal observations was provided to Fisheries and Oceans Canada (DFO) on March 4, 2016. Information about the availability of habitat for Harbour Porpoise is provided in that report and in recently published research. As explained in the enclosures, it is PNW's view that the information demonstrates that alternative habitat is available and, consequently, that the Project is not likely to result in a significant adverse effect on Harbour Porpoise.

Appendix II: GHG Emissions

The enclosed letter addresses the analysis of Section 6.2, Greenhouse Gas (GHG) Emissions, and the draft determination that the Project is likely to result in a significant adverse effect.

PNW acknowledges the concern about climate change and the importance that GHG emissions play. However, it is PNW's view that GHG emissions from upstream should not result in a significant adverse effect determination for the Designated Project as those emissions were not included by the Agency when it determined the scope of factors to be taken into account in the environmental assessment of the Designated Project.

Appendices III, IV and V. Comments on the Draft Environmental Assessment Report

PNW recommends a number of corrections and edits to the body of the report, the Executive Summary and Sections 1 through 12.

Appendix VI: Appendix 11.5 – Proponent’s Proposed Mitigation Measures

In Appendix 11.5 of the draft EA Report, the Agency summarizes the commitments to implement various mitigation measures made by PNW during the course of the environmental assessment. As assessment proceeded and the Project has been developed, some of the measures have become unnecessary or otherwise obsolete. Consequently, PNW recommends several revisions to the description of the measures in Appendix 11.5.

Appendix VII: Appendix 11.6 - Summary of Aboriginal Consultations

In the enclosure, we provide some detailed comments about the description of consultation in Appendix 11.6 of the draft EA Report. Our intent is to ensure that PNW’s efforts to engage Aboriginal groups are captured as accurately as possible in Appendix 11.6.

It is PNWLNG’s view that engagement with Aboriginal groups has been robust, and effective, and is well documented in the Designated Project’s consultation record. Our aboriginal engagement efforts continue.

Appendix VIII: Potential Conditions

PNW recommends that eighteen (18) of the Potential Conditions (or sub-conditions) be revised. For each recommended change, PNW provides our understanding of the objective of the potential condition, our comments and concerns with how the potential condition is worded and a suggestion for consideration by the Agency on how the potential condition may be revised. There are four Conditions which, in the form drafted, will risk the viability of the Pacific NorthWest LNG Project.

Potential Condition 6.1

As drafted, the Condition may imply that timing windows must be employed for all in-water construction activities regardless of the other mitigation efforts. This would constrain PNW (to a point where the Project may become unviable) where other measures are available, and the DFO in approving the use of those other measures where it would otherwise be prepared to do so. PNW proposes a revision which gives PNW the flexibility to propose other measures and provide flexibility for the DFO to approve their use.

Potential Sub-Condition 6.12.4

As drafted, this condition would restrict marine construction to daylight hours, and perhaps further limit construction in times of restricted visibility. As a practical matter, construction must generally be able to proceed on a continuous basis. Compliance with this Condition, as drafted,

would significantly extend the period of construction, perhaps doubling it, materially increasing the cost of the Project and threatening its viability

The information available demonstrates to PNW that the condition does not need to be so restrictive. The set of sub-conditions in Condition 6.12 provide a mechanism which will protect marine mammals. Once the safety zone is clear, the construction will begin with a ramp-up. There is no expectation that marine mammals will enter the safety zone once the work begins and for as long as the noise continues. If work stops, it can only commence again in accordance with 6.12.4 or 6.12.5 (the safety zone is clear).

Potential Condition 8.1

As drafted, Condition 8.1 would limit clearing to a one-month period in order to protect a species of bat, Little Brown Myotis (*Myotis lucifugus*). As a practical matter, clearing must generally be carried out through the fall and winter months. Any attempt to clear the site within such a restricted window significantly extends the period of construction and threatens the viability of the Project.

Again, the information available demonstrates that such a restrictive mitigation measure is unnecessary to protect Little Brown Myotis. Much of the area to be cleared is shrub dominated peat bog, which does not provide habitat for that species. Further, some of the suitable habitat will be left intact.

Further, through in depth engagement with Aboriginal groups, a protocol for the identification, confirmation, removal and sampling of culturally modified trees has been developed. Restricting the clearing to a one-month window will imperil the ability to implement that protocol.

Data with respect to the movement of Little Brown Myotis (*Myotis lucifugus*) on Lelu Island has been collected and is under analysis. PNW proposes a condition which would require it analyze that data in consultation with Environment and Climate Change Canada and Aboriginal groups in order to determine whether least-risk tree clearing time window is required to protect Little Brown Myotis.

Potential Sub-Condition 9.1.1

Under the condition as drafted, construction would proceed in accordance with noise control guidelines published by the British Columbia Oil and Gas Commission (BC OGC). However, under those conditions, construction should not proceed at night. Compliance with this condition would significantly extend the construction period and, consequently, threaten the viability of the Project.

The BC OGC has confirmed that it will not be feasible to meet this guideline in order to construct the Project. PNW anticipates that as a term of the permit to construct and operate the LNG

Export facility, the BC OGC will impose a general obligation to develop and implement measures to reduce construction noise at night.

Appendix IX: British Columbia Ministry of Environment – Fact Sheet – Air Emissions: *Best Achievable Technology*; January 2012.

PNW attaches supporting information from the BC Ministry of Environment. This information is referenced in a Potential Conditions change recommendation to Condition 3.1.

Conclusion

In closing, PNW hopes the Agency will find all of the information helpful and of use in finalizing the EA Report and Conditions.

Please address any questions you or any federal agency may have to the undersigned.

Sincerely,
<Original signed by>

Mike Lambert
Head, Environmental and Regulatory Affairs
Pacific NorthWest LNG

Enclosures

Appendix I- Harbour Porpoise Letter dated March 4, 2016

Appendix II – Greenhouse Gas Emissions Letter dated March 4, 2016

Appendix III - Suggested Edits to the Environmental Assessment Report – Executive Summary and Sections 1 through 5

Appendix IV - Suggested Edits to the Environmental Assessment Report – Section 6

Appendix V - Suggested Edits to the Environmental Assessment Report – Sections 7 & 8

Appendix VI - Suggested Edits to the Environmental Assessment Report – Appendix 11.5 – Proponent’s Proposed Mitigation Measures

Appendix VII - Suggested Edits to the Environmental Assessment Report – Appendix 11.6 – Summary of Aboriginal Consultations

Appendix VIII - Suggested Edits to the Potential Conditions

Appendix IX - British Columbia Ministry of Environment – Fact Sheet – Air Emissions: *Best Achievable Technology*; January 2012.