



Canadian Environmental
Assessment Agency

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d'évaluation environnementale

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Mr. Mike Lambert
Vice President – Health, Safety, Security and Environment
Pacific NorthWest LNG
Suite 2500 – 666 Burrard St.
Vancouver BC V6C 2X8

JUN 14 2017

Dear Mr. Lambert:

Re: Potential Changes to Pacific NorthWest LNG Project

We are writing in response to your inquiries about the federal and provincial regulatory processes to seek environmental assessment approval for proposed changes to the Pacific NorthWest LNG Project. The Project underwent a federal and provincial coordinated environmental assessment (EA) and received an EA Certificate from the Province of B.C. on November 25, 2014 (Certificate # E14-04) and a federal EA Decision Statement from the Minister of Environment and Climate Change on September 27, 2016.

The Canadian Environmental Assessment Agency (the Agency) and the B.C. Environmental Assessment Office (EAO) understand that Pacific NorthWest LNG Ltd. (PNW LNG) is contemplating substantive changes to the Project as approved. This letter provides an overview of how the Agency and EAO will approach a request for changes to the Project in a single, coordinated process (review process). The direction provided in this letter is in relation to substantive changes that may be proposed by PNW LNG to the Project.

The Agency and EAO have a demonstrated record of collaboration on EAs for projects which require both federal and provincial assessments. The coordinated review process will reduce duplication and provide certainty of process, resulting in:

- a one window approach to engaging federal and provincial agencies in the review;
- a single, coordinated technical working group;
- an integrated set of federal/provincial information requirements for the Environmental Impact Statement (EIS)/Application;
- a coordinated engagement process to seek the views of the public;
- a fully integrated engagement process with Indigenous groups; and
- a single EIS/Application by PNW LNG.

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The Agency and EAO will also strive to produce a joint environmental assessment report to inform separate federal and provincial decisions.

Review Process Overview

The review process outlined below generally follows the steps outlined in the EAO's *Guidance for Certificate Holders: Seeking an Amendment to an Environmental Assessment Certificate* (Attachment 1), adjusted where needed to address the Agency's requirements pursuant to the *Canadian Environmental Assessment Act, 2012*, including compliance with the federal Decision Statement conditions related to material changes to the Project and consultation with Indigenous groups (conditions 2.12, 2.13 and 2.3).

The review process will be focussed on the proposed Project changes, and the implications of those changes on the environmental, economic, social, heritage, and health effects assessed in the original EA and the mitigation measures that informed the federal Decision Statement conditions and the provincial EA Certificate (including conditions and the Certified Project Description). Where Project changes have the potential to affect the analyses, mitigation measures or conclusions of the original EA, the Agency and EAO will require information to enable an assessment of the potential adverse effects, including potential impacts on asserted or established Aboriginal rights, including title. As appropriate, information from the original EA and other existing relevant information may be used and supplemented in order to meet requirements.

During the review process, the Agency and EAO will hold joint comment periods to seek the views of the public on key documents. In addition, we will co-chair a technical working group made up of Indigenous groups, provincial and federal department subject matter experts, and local government. The role of the technical working group members is to review draft documents and provide advice to the Agency and EAO within their area of technical expertise or mandate. The technical working group will meet from time to time and will have opportunities to provide input and advice throughout the review process. PNW LNG would be invited to participate in meetings of the technical working group, as required.

The timeline for the review process will depend on the complexity of the Project changes requiring assessment, timely identification and resolution of key issues, consultation with potentially impacted Indigenous groups, and the preparedness and responsiveness of PNW LNG to address information requirements and any information requests. As more information about the proposed Project changes is provided, the Agency and EAO will develop a joint work plan for the review process, which may be updated from time to time, as required.

The key phases of the review process are outlined briefly below and in the attached process diagram (Attachment 2). The Agency and EAO will assign Project Managers to lead the review process, and they will provide more specific direction and guidance regarding the process and requirements once an acceptable Project Changes Description is received from PNW LNG.

1. Project Changes Description – PNW LNG submits a description of proposed Project changes to the Agency and EAO. The Description is developed in accordance with guidance provided by the Agency and EAO (Attachment 3). PNW LNG submits an Aboriginal Consultation Plan. The Project Changes Description is posted on the Agency and EAO public websites for information.
2. EIS Guidelines/Application Information Requirements – the Agency and EAO, in consultation with PNW LNG, Indigenous groups and the technical working group, will develop information requirements for the EIS/Application.
3. EIS/Application – PNW LNG will prepare the EIS/Application, conducting public information sessions and Indigenous consultation, undertaking field studies and technical analysis.
4. EIS/Application Evaluation – the Agency and EAO, in consultation with the technical working group, will evaluate the EIS/Application for completeness and conformity with the EIS Guidelines/Application Information Requirements.
5. EIS/Application Review and Public Consultation Period – The EIS/Application review will include consultation with Indigenous groups and technical working group members as well as a joint public consultation period. The Agency and EAO may issue information requests to PNW LNG.
6. Environmental Assessment Report, Proposed Conditions and Public Consultation – The Agency and EAO will strive to prepare a joint environmental assessment report. The EAO will also require a revised Certified Project Description and will consider revisions to the provincial conditions. Indigenous groups and the technical working group will have opportunities to review and comment on drafts of these documents. The Agency will consider implications for the federal Decision Statement. A joint public consultation period may be held on the draft assessment report and proposed conditions.
7. Decision – The Agency and EAO will consider the comments received in finalizing the assessment documents and will refer the conclusions of the process to respective decision makers. Efforts will be made to coordinate the timing of decision making.

Consultation with Indigenous Groups

A key element of the review process is to ensure a meaningful consultation process aimed at meeting the Crown's duty to consult obligations with all potentially impacted Indigenous groups. PNW LNG is required to carry out Indigenous consultation as set out in the federal Decision Statement conditions 2.2, 2.3, 2.12 and 2.13, as well as the provincial EA Certificate, particularly condition 4.

Based on the identification of Indigenous groups in the context of the original proposed Project, the following Indigenous groups with traditional territories in the vicinity of the Project area would be consulted at the moderate or deep end of the Haida consultation spectrum: Lax Kw'alaams Band; Metlakatla First Nation; Gitxaala Nation; Kitsumkalum First Nation; Kitselas First Nation; and Gitga'at First Nation. Consultation activities commensurate with these depths of consultation to be undertaken by PNW LNG would include:

- notification of key steps in the process;
- provision of timely access to relevant information;
- provision of opportunities to comment on key documents;
- invitation to participate in face-to-face meetings;
- invitation to provide views on potential adverse environmental, social, heritage, economic and health effects of the Project changes on each Indigenous group's asserted or established Aboriginal rights, including title; and,
- inform groups on how their views were considered in the assessment and mitigation measures, and opportunity to validate the interpretation of those views.

The federal and provincial governments will undertake consultation activities with the moderate and deep groups, in addition to the activities to be undertaken by PNW LNG.

Based on the original proposed Project, the Agency identified a low depth of consultation for the Upriver Indigenous groups (defined in the Decision Statement as the Gitanyow Hereditary Chiefs, Gitksan Hereditary Chiefs including wilp Delgamuukw, wilp Gwininitxw and wilp Luutkudziiwus, Office of the Wet'suwet'en and Takla Lake First Nation), as well as Metis Nation British Columbia, and would require PNW LNG to carry out consultation activities commensurate with that depth. Consultation activities to be undertaken by PNW LNG would include:

- notification of key steps in the process;
- provision of timely access to relevant information;
- provision of opportunities to comment on key documents; and,
- possible further opportunities to provide input, identified following review of Project Changes Description.

The federal government will undertake consultation activities with the low depth groups, in addition to the activities to be undertaken by PNW LNG.

The information gathered from all Indigenous groups noted above would be used by PNW LNG to inform its assessment of: effects of changes to the environment on Aboriginal peoples pursuant to paragraph 5(1)(c) of CEEA 2012; and, potential adverse impacts of the Project changes on asserted or established Aboriginal rights, including title. PNW LNG should make reasonable efforts to integrate community or traditional knowledge into its assessment information. We strongly encourage PNW LNG to work with all Indigenous groups to understand and seek to resolve any potential issues of concern as early as possible.

The Agency and EAO require PNW LNG to provide an Aboriginal Consultation Plan that will guide its consultation activities with all Indigenous groups noted above during the review process. Consistent with the federal Decision Statement condition 2.3, PNW LNG should develop the draft Aboriginal Consultation Plan in consultation with Indigenous (moderate and deep) groups. The Agency and EAO will review the draft Aboriginal Consultation Plan and provide further guidance as required.

In addition, the Agency will notify the Council of Haida Nation, Lake Babine Nation, Heiltsuk Nation and Blueberry River First Nations of the proposed changes to the Project and opportunities to participate in public comment periods. The Agency and EAO may direct additional consultation with these or other Indigenous groups if new information becomes available.

Strategic Advisory Committee

In recognition of the Collaboration Framework Agreement signed by the EAO, Lax Kw'alaams and Metlakatla First Nations and reflective of the proposal put forward by Lax Kw'alaams and Metlakatla First Nations for the review of Project changes, the Agency and EAO will seek to establish a strategic advisory committee. The committee would consist of Lax Kw'alaams and Metlakatla First Nations, the Agency, and the EAO. The committee would support senior level issues resolution and creative solutions-building, and would be briefed and consulted on relevant developments and issues at key steps in the review process. Senior officials from relevant federal and provincial departments and PNW LNG may be invited to participate in some meetings, as required.

Next steps

When PNW LNG is ready to initiate the review process, please provide the Agency and EAO with a description of Project changes and an Aboriginal Consultation Plan. We would be pleased to review and provide feedback on draft material in advance of formal submission.

If you have any questions regarding this letter and the review process, please feel free to contact Lisa Poier, Team Lead, Canadian Environmental Assessment Agency, Pacific and Yukon Region at Lisa.Poier@ceaa-acee.gc.ca or (604) 666-3447, or Nathan Braun, Executive Project Director, EAO at Nathan.Braun@gov.bc.ca or (250) 356-1124.

Sincerely,

<Original signed by>

<Original signed by>

Lisa Poier
Team Lead, Pacific and Yukon Region
Canadian Environmental Assessment Agency

Nathan Braun
Executive Project Director
BC Environmental Assessment Office

Attachments:

Attachment 1 - EAO's Guidance for Certificate Holders: Seeking an Amendment to an Environmental Assessment Certificate

Attachment 2 – CEAA / BC EAO Joint Review Process for PNW Changes

Attachment 3 – Guidance for the Preparation of a Project Changes Description for the Pacific NorthWest LNG Project