



Josephburg Condensate Fractionation Project

Response to the Initial Project Description Summary of Issues

Keyera Energy Ltd.

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Josephburg Condensate Fractionation Project

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1. Background

On July 17, 2025, Keyera Energy Ltd. (Keyera) submitted an Initial Project Description (IPD) to the Impact Assessment Agency of Canada (IAAC) for the proposed Josephburg Condensate Fractionation Project (Project).

Subsequently, on August 15, 2025, Keyera received a Summary of Issues from IAAC that contained two *Key Issues* and a letter with an appendix containing several *Advisory Comments and Recommendations*. Keyera has carefully reviewed the letter and Summary of Issues in the context of the information provided in the IPD, and subsequent consultation, technical studies and project planning advancements, and provides the following response.

As discussed in the IPD, Keyera has a long history in the Project Area, including operating several other facilities in the Industrial Heartland Designated Industrial Zone (IH-DIZ). Keyera has developed long-standing relationships with First Nations, Métis communities and Indigenous groups in the Project area. Keyera's dedicated Indigenous Relations team has carried out consultation through the pre-application stage of this Project and is committed to continued engagement throughout the Project's lifecycle.

Keyera notes the following information, also presented in the IPD, which lays the foundation for its Response to the Summary of Issues:

- In February 2025, Keyera began formal consultation with the 17 Indigenous groups identified by IAAC as potentially affected by the Project. Since then, Keyera has continued to correspond and meet with several Nations, including sending following up information in May of 2025. Keyera has reviewed all concerns and recommendations received through consultation to date and has agreed to facilitating site visits for those Indigenous groups that have requested them.
- The proposed Project will be located entirely on existing Keyera-owned, previously disturbed, lands within the IH-DIZ which have been zoned heavy-industrial by Strathcona County. In addition, the area in which the proposed Project is to be located also falls within the IH-DIZ.
- There is a robust regulatory framework that will apply to the Project, including regulations unique to the IH-DIZ designed to mitigate cumulative effects to the airshed, noise, surface and groundwater and regional biodiversity.
- The Project lands have been extensively studied during prior projects, including two complete environmental impact assessments which concluded effects outside the Project site would be negligible. In 2025, Keyera also conducted several baseline biophysical assessments and will complete air quality assessments and noise impact assessments as part of regulatory approval process.

In 2007, TOTAL E&P Canada Limited submitted a provincial level environmental impact assessment to construct an oils sands bitumen upgrader on the subject lands and determined that "*with incorporation of effects management design, mitigation measures, and adaptive management, there would be no unacceptable environmental or socio-economic effects from the upgrader.*" (Total 2007: Volume 1, p.3). The project was cancelled prior to completion of the application review.

In 2013, SASOL Canada Holdings Limited submitted a provincial level environmental impact assessment to construct a gas-to-liquids facility (petrochemical manufacturing facility) on the subject lands. The EIA was deemed complete in 2014, but SASOL did not proceed with the project.

2. Response to the Key Issues

Issue	Registry Number	Keyera's Response
<p>Clarify the process for meaningful engagement and consultation with Indigenous Peoples potentially affected by the Project.</p>	<p>9,16</p>	<ul style="list-style-type: none"> • Keyera recognizes the proposed Project is located in Treaty 6 Territory, the Otipemisiwak Métis Government District 11, and the traditional territory of several First Nations, Métis communities and Indigenous groups. • Keyera differentiates Indigenous consultation from engagement. Consultation is a formal regulatory process required by provincial agencies like the Aboriginal Consultation Office (ACO) or federal agencies like IAAC. Engagement is the suite of other programs Keyera has developed to foster Indigenous involvement in its projects and operations, including procurement, community enrichment programs and its corporate commitment to Reconciliation. • Keyera recently published its Commitment to Indigenous Reconciliation, a formal declaration of our respect for the long history and enduring connection Indigenous Peoples have with the lands where we operate. Our commitment affirms that Reconciliation is a shared responsibility, and its guiding principles include seeking to understand, actively listening, engaging and consulting in a culturally appropriate manner, and providing meaningful opportunities for Indigenous Peoples. It reflects our dedication to ongoing learning and meaningful action, with a focus on continually assessing, adapting, and enhancing our strategies and programs to advance Reconciliation. Publishing this commitment strengthens our transparency and marks an important step toward truth, healing, and stronger partnerships with Indigenous Peoples. • Keyera also launched its Reconciliation Action Plan in 2024, an internal strategic framework that guides Keyera in its journey to advance Reconciliation with Indigenous Peoples. Priorities for the plan include advancing economic inclusion through Indigenous employment and supplier participation, as well as increasing employee cultural awareness.

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		<ul style="list-style-type: none"> • Keyera commits to ongoing engagement throughout the lifecycle of the Project. • Keyera commits to providing opportunity for affected First Nations, Métis communities, and Indigenous groups to visit the proposed Project site and provide comments or concerns. • Keyera commits to providing affected First Nations, Métis communities, and Indigenous groups copies of regulatory applications, technical studies, or approvals, as requested. • Keyera commits to evaluating all concerns or issues raised during continued engagement and, when possible, developing and implementing mitigation plans to address them. <p>Keyera notes their consultation and engagement process has and will follow these steps throughout the lifecycle of the proposed Project:</p> <p>Pre-application</p> <ul style="list-style-type: none"> • Project Information Letters were sent to all 17 Indigenous groups identified by IAAC as potentially affected by the Project in February 2025. • Keyera had several email and phone conversations with Nations to address questions or coordinate meetings. • Keyera has attended several meetings to introduce and discuss the Project and begin to understand any potential concerns or issues. • Keyera has created a record of consultation log for the Project to track concerns and commitments. • Keyera provided one update letter to all 17 nations in May 2025. • Keyera will coordinate site visits for those First Nations, Métis communities, and Indigenous groups interested in seeing the proposed Project site. • Keyera will review concerns from site visits and develop mitigation plans with First Nations, Métis communities, and Indigenous groups, as possible. • Keyera will incorporate practical mitigations into the Project design and regulatory applications.

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		<p>Post-application</p> <ul style="list-style-type: none"> • Keyera will continue to update affected First Nations, Métis communities, and Indigenous groups if the design or regulatory path changes in a manner that will change potential impacts. • Keyera will engage with First Nations, Métis communities, and Indigenous groups interested in procurement and employment opportunities. • Keyera will consider qualified Indigenous companies in procurement planning. • Keyera will consult with all residents, occupants, stakeholders, First Nations, Métis communities, and Indigenous groups in the Emergency Planning Zone on the development of the Project-specific emergency response plan (ERP). <p>Construction/Operations</p> <ul style="list-style-type: none"> • Keyera will work with interested First Nations, Métis communities, and Indigenous groups to understand how their affiliated companies or people can provide services or be employed by the Project. • Keyera will consult with First Nations, Métis communities, and Indigenous groups in the unlikely event the ERP requires standing up. <p>Decommissioning</p> <ul style="list-style-type: none"> • Keyera will engage with the appropriate First Nations, Métis communities, and Indigenous groups to address concerns about proposed decommissioning plans, including reclamation and remediation. • Keyera will work with interested First Nations, Métis communities, and Indigenous groups to understand how their affiliated companies or people can provide services or be employed for the scope of decommissioning work.

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<p>Clarify the process regarding the assessment of the Project's impact on rights of Indigenous Peoples</p>	<p>16</p>	<p>The following informs the review of potential Project effects on the rights of Indigenous Peoples:</p> <ul style="list-style-type: none"> a) the list of potentially affected First Nations, Métis communities, and Indigenous groups provided by IAAC; b) the outcomes of Keyera's Indigenous consultation and engagement for the Project to date; c) Keyera's existing relationships with affected First Nations, Métis communities, and Indigenous groups, regulators, and stakeholders; d) Keyera's extensive operating history in the region; e) Keyera's corporate Reconciliation Action Plan and Indigenous procurement strategy; f) Government of Alberta's Aboriginal Consultation Office's (ACO) June 2025 Consultation Assessment result of "Consultation not recommended" for the Project; g) technical studies, including but not limited to information provided in the IPD; h) IAAC and Canadian Energy Regulator (CER) guidance documents; and i) Publicly available data, including the two previous provincial environmental impact assessments (EIAs) completed on the Project lands which both concluded that no significant project or cumulative effects were predicted. Both projects were approved by provincial regulators but never constructed. <p>In reviewing potential effects on rights of Indigenous Peoples, Keyera considered the following:</p> <ul style="list-style-type: none"> a) all comments and concerns raised during Indigenous consultation to date and Keyera's commitments to future site visits and ongoing engagement throughout the Project lifecycle. b) The nature, scale and setting of the proposed Project, including but not limited to the following: <ul style="list-style-type: none"> ○ Proposed Project lands are privately-owned by Keyera, fenced-off, previously disturbed by agriculture and zoned for heavy industrial. Therefore, there has been no access for

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		<p>Indigenous Nations to exercise Treaty Rights such as hunting, gathering or ceremonies on the lands for decades.</p> <ul style="list-style-type: none"> ○ The Project will not require the taking of new lands. ○ The nearest Indigenous Land base is the Enoch Cree Nation located 47 km to the southwest of the proposed Project lands. ○ The closest federal land is Elk Island National Park located 17 km to the southeast. <p>c) Potential effects of the Project on environmental and socio-economic elements of the rights of Indigenous Peoples, including but not limited to the following:</p> <ul style="list-style-type: none"> ○ The Project will provide 700-800 construction jobs and 50 full-time jobs. Keyera's Indigenous procurement practices and ongoing engagement will be used to maximize the economic benefit to First Nations, Métis communities, and Indigenous groups. ○ There are no predicted effects on nearby watercourses (Astotin Creek or the North Saskatchewan River), fish or fish habitat. ○ While there are potential impacts to local vegetation and wildlife habitat, they are not predicted to have regional effects beyond the Project footprint. ○ All loss of wetlands will be mitigated by offset compensation as per the <i>Alberta Wetland Policy</i>. ○ The Project will be required to complete an air quality assessment and noise impact assessment addressing health-based concerns to potential receptors in the region. Project approvals will require ongoing monitoring of air emissions, storm, process and groundwater, and waste management,

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		<ul style="list-style-type: none"> ○ The Project is in the IH-DIZ which has additional processes to manage cumulative effects to the airshed, regional noise, water sources and biodiversity. ○ The Project will require the submission and approval of a decommissioning plan, including reclamation and remediation. ○ The Project footprint has received <i>Historical Resources Act</i> clearance several times and has been subject to several field-based Historical Resources Impact Assessments that did not find historic resources within the Project footprint. ○ Fort Saskatchewan and the City of Edmonton have large urban populations with robust health, social services, accommodations, recreational facilities and emergency response infrastructure that can service the proposed Project without impacting other regional communities, including any Indigenous land bases. ○ A Project-specific ERP will be developed to account for emergency situations that could involve nearby residences, businesses or recreational land uses, Indigenous or otherwise. ○ The Project is not expected to change population or demographics locally or regionally, nor affect community well-being. It is not predicted that diverse groups of people will be differentially affected by the Project. ○ Keyera also commits to their Indigenous procurement process and their Reconciliation Action Plan to provide opportunity for Indigenous businesses and people to realize economic benefit from the proposed Project. <p>Keyera notes that consultation to date has provided valuable information that has been used to assess the potential impact to the rights of Indigenous Peoples. Additionally, given the significant prior assessment of the Project lands, the presence of a robust framework to measure and address cumulative effects in the form of IH-DIZ policies, models and processes, and Keyera's</p>

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		<p>longstanding operating history and Indigenous relationships in the region, there is more data than commonly available at this stage to review potential impacts to the rights of Indigenous Peoples. Given the scope of the Project and its local and regional setting, potential adverse effects of the project on the rights of and impacts on Indigenous peoples are predicted to be negligible to low.</p> <p>With respect to regional effects, Keyera acknowledges the proposed Project will be located in a region that has been previously disturbed and is subject to ongoing disturbances by existing operations. However, Keyera notes that the IH-DIZ has additional processes to manage cumulative effects to the airshed, regional noise, water sources and biodiversity and that both Keyera and other operators in the region are and will continue to be held to a strict regulatory framework.</p> <p>With Keyera's ongoing commitment to consultation and engagement throughout the lifecycle of the Project, potential effects to the rights of Indigenous people can be mitigated to minimize negative effects and amplify positive effects.</p>

3. Response to the Advisory Comments

Keyera has reviewed the comments, advice and recommendations provided by IAAC and notes that there is robust regulatory framework in place in the IH-DIZ to address local and cumulative effects with respect to the acoustic environment, atmospheric environment, water and biodiversity. Keyera will be required to complete an air quality assessment and noise impact assessment as part of provincial regulatory approvals. Those assessments will be evaluated in the context of existing regional effects models designed to manage the cumulative effects of clustered industrial infrastructure in the area. Keyera notes that, as stated in the IPD, there are no predicted effects on watercourses, fish or fish habitat.

Keyera will develop and implement a construction-stage Environmental Protection Plan that will outline Project-specific mitigations developed through the consultation and engagement process. They will also be required to develop annual emissions, waste, storm and groundwater monitoring programs as part of the approval process that will be in place throughout the operational life of the Project. Finally, they will be required to submit and get approved a decommissioning plan for the Project, including plans for reclamation and remediation.

As noted in the Response to the Summary of Issues above, Keyera is committed, and will continue to engage with First Nations, Métis communities, and Indigenous groups throughout the lifecycle of the Project. Further, Keyera is an equal opportunity employer with an established diversity, equity and inclusion (DEI) program, committed to inclusion, equal opportunity, and diversity.