


July 20, 2017

**VIA E-MAIL**



Ms. Teresa Morris  
Project Assessment Manager  
British Columbia Environmental Assessment Office  
2<sup>nd</sup> Flr – 836 Yates St.  
Victoria B.C.  
V8W 1L8

Dear Ms. Morris,

**RE: Progress Energy Lily Dam – Project Description and Request for an Order Pursuant to Section 10(1)(b) of the BC Environmental Assessment Act**

Progress Energy Canada Ltd. (Progress) is the operator of a freshwater storage structure (Progress Energy Lily Dam) located at d-042-K / 094-G-02 in Northeastern British Columbia. The Progress Energy Lily Dam is used to store water prior to its use in Progress drilling and hydraulic fracturing operations to develop natural gas deposits in the North Montney Regional Field. Enclosed is a Project Description describing the history of the dam, applicable permitting processes and regulatory regimes, land use details, environmental setting, engagement activities, and potential and residual effects.

Central features of the Progress Energy Lily Dam are summarized below:

- The Progress Energy Lily Dam has been centralized amongst developed leases and linear developments to leverage existing infrastructure and minimize potential effects on valued components and other environmental resources.
- The Progress Energy Lily Dam has no processing or treatment equipment that would result in additional waste and emissions in the area and is located to minimize local truck traffic resulting in reduced emissions in the local area.
- The Progress Energy Lily Dam is subject to ongoing regulation and inspection under the Water Sustainability Act and associated Dam Safety Regulation to ensure that risks presented by the dam to human health, the environment, and cultural resources are appropriately considered and mitigated.

The berm height of the Progress Energy Lily Dam is greater than 15 m. Under Table 9 of the *Reviewable Projects Regulations (BC Reg 370/2002)* a dam with a berm height greater than 15 m requires a review of the project under the *British Columbia Environmental Assessment Act (SBC 2002, c.43)* (BCEAA). The enclosed Project Description has been prepared to provide the Environmental Assessment Office (EAO) with an understanding of the project and the potential environmental, economic, social, heritage and health effects.

Under section 10(1)(b) of the BCEAA, the EAO's executive director can issue an Order exempting a reviewable project from requiring an Environmental Assessment Certificate if no significant adverse environmental, economic, social, heritage or health effects are anticipated. Based on the analysis of the Progress Energy Lily Dam and its effects, and taking into account practical means, either already implemented or that will be applied, to prevent or reduce to an acceptable level any potential adverse effects of the project, Progress believes the project will not have significant adverse environmental, economic, social, heritage or health effects. Progress is therefore requesting that the project be exempted from requiring an Environmental Assessment Certificate pursuant to section 10(1)(b) of the BCEAA.



Please contact the undersigned with any questions or concerns regarding the content of the enclosed Project Description.

Best Regards,

Progress Energy Canada Ltd.

Jarred Anstett  
Regulatory Advisor

Encl: Progress Energy Lily Dam Project Description