

**In the matter of the
ENVIRONMENTAL ASSESSMENT ACT
S.B.C. 2002, c. 43
(Act)**

and

**in the matter of an
Application
for an
Environmental Assessment Certificate
(Application)**

by

**Westcoast Connector Gas Transmission Ltd.
(Proponent)**

for the

**proposed Westcoast Connector Gas Transmission Project
(WCGT)**

November 3, 2014

Recommendations of the Executive Director

In accordance with the provisions of section 17(2)(b) of the *Environmental Assessment Act*, the Executive Director of the Environmental Assessment Office makes the recommendations contained in this submission, for the reasons indicated, in connection with the application by Westcoast Connector Gas Transmission Ltd. for an Environmental Assessment Certificate for the proposed Westcoast Connector Gas Transmission Project.

A. ISSUE

Decision by Ministers on the application for an Environmental Assessment Certificate (EA Certificate) by the Proponent for Westcoast Connector Gas Transmission Project (WCGT).

B. BACKGROUND

Proponent and Project Overview

Westcoast Connector Gas Transmission Ltd. (Proponent) was formed for the purpose of pursuing WCGT on behalf of Spectra Energy Transmission (Spectra Energy) and BG International Limited.

Spectra Energy operates a network of about 35,000 km of natural gas, natural gas liquids and crude oil pipelines in Canada and the US. Spectra Energy has operated in BC for 57 years, with 2,900 km of natural gas pipelines transporting 2.4 billion cubic feet (bcf/d) of natural gas per day.

WCGT would have an initial pipeline capacity of approximately 2.2 bcf/d, with the potential for expansion up to 8.4 bcf/d¹. WCGT would include up to two parallel pipelines that are 42 – 48” in diameter and up to 862 km long from northeast BC to Ridley Island near Prince Rupert (Figure 1). In addition, WCGT would include up to five new compressor stations, up to three meter stations, and ancillary sites such as construction camps, temporary access roads and bridges, and storage areas.

WCGT proposes to construct one of two route alternatives assessed in the environmental assessment; the Kitsault Route or the Nasoga Route (Figure 1). The two route options diverge west of Cranberry Junction and rejoin before Chatham Sound, and continue to Ridley Island. The Kitsault route would continue west of Cranberry Junction to Kitsault and enter the marine environment at Alice Arm. The Nasoga route would pass through the Nass Area and would cross Nisga’a Lands and enter the marine environment at Echo Cove.

The Proponent is proposing to begin construction of the first pipeline in 2016 with operations starting in 2019. Construction of the second pipeline is proposed to occur between 2020 and 2023. WCGT would be in operations for at least 50 years.

Environmental Assessment Process

Environmental Assessment Office (EAO) determined that WCGT was reviewable pursuant to Part 4 of the *Reviewable Projects Regulation*, as it would be a new transmission pipeline with a diameter of greater than 323.9 mm and length greater than 40 km.

WCGT entered the British Columbia (BC) environmental assessment (EA) process on November 9, 2012. In October 2013, CEAA amended its *Regulations Designating*

¹ British Columbia's current natural gas production is approximately 4 bcf/d.

Physical Activities, removing non-National Energy Board-regulated pipelines. Therefore, a federal EA was not required.

The Application Review Stage of the EA started on May 6, 2014 and ended November 3, 2014.

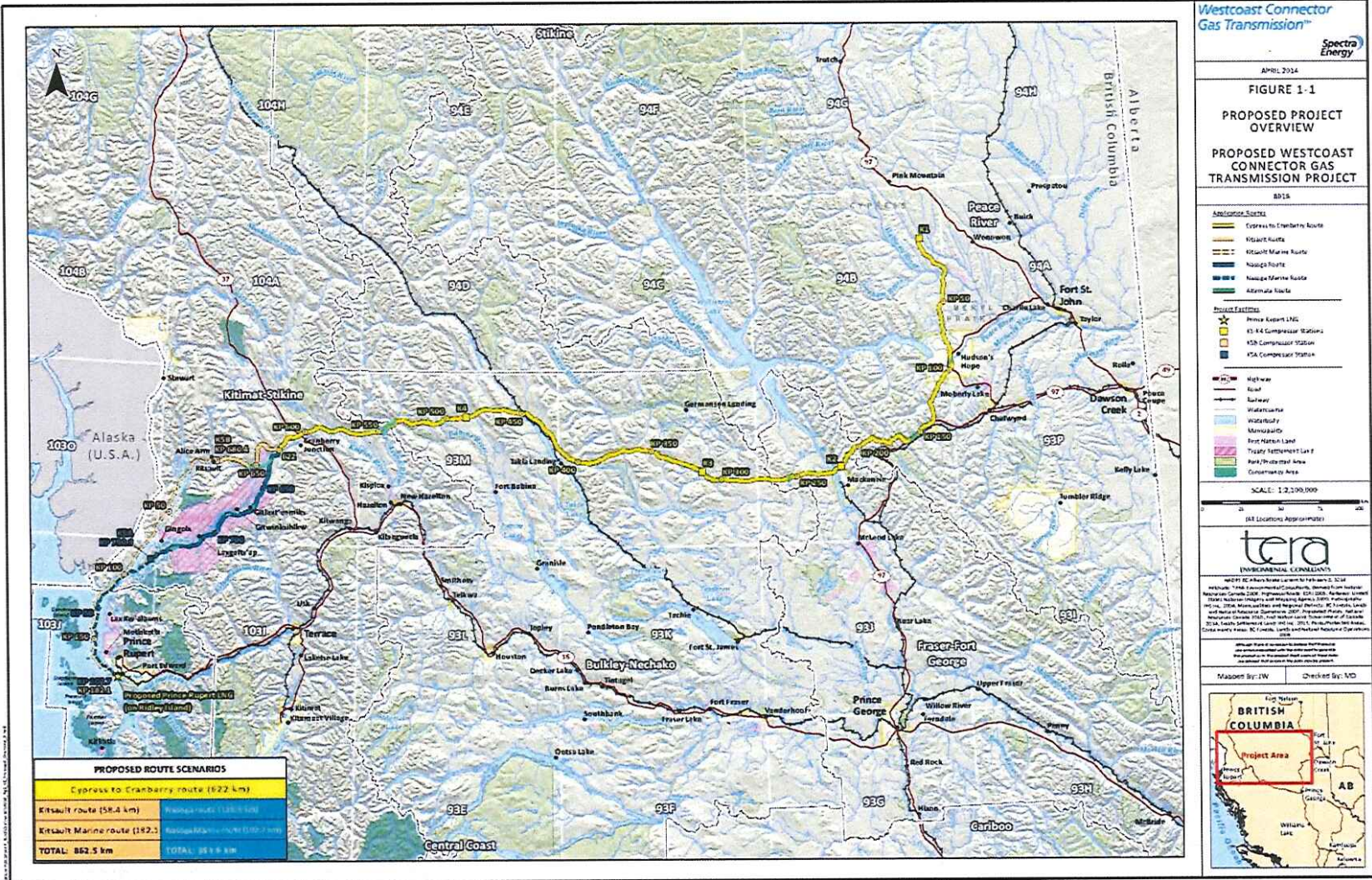


Figure 1. WCGT Location

Other Approvals

WCGT would require various permits from federal, provincial and local government jurisdictions, as well as the Nisga'a Lisims Government. The majority of provincial permits are provided through the BC Oil & Gas Commission (OGC), the primary operational regulator of oil and gas activities in BC.

If an EA Certificate is granted, the Proponent would apply for permits in 2015, targeting decisions in 2016. Other types of permits or authorizations that may be required are Section 35(2) – authorizations for serious harm to fish (Fisheries and Oceans Canada (DFO)), and Section 73 – authorizing activity affecting listed wildlife species, critical habitat, or the residences of its individuals (Environment Canada).

C. CONTEXT

Environmental Assessment of Liquefied Natural Gas (LNG) Projects

In February 2013, two proposed natural gas pipeline projects were in the early stages of the EA process. At present, there are 13 proposed LNG-related projects in EA with 4-6 additional projects anticipated in 2014.

Aboriginal Groups, special interest groups, the public and stakeholders raised a number of concerns about the numerous LNG project reviews. Some of those concerns were:

- Creation of multiple pipeline routes instead of a single energy corridor;
- High volume and pace of work associated with the consultation and review of multiple LNG projects;
- Potential conversion of natural gas pipelines to carry oil;
- Increased shale gas extraction through hydraulic fracturing;
- A strong desire to see EAO conduct a strategic environmental assessment to assess broad impacts of the LNG industry on the environment, the economy and future generations of British Columbians;
- Increased greenhouse gas emissions (GHG) associated with LNG facilities and what those emissions would mean to the provincial GHG reduction targets, as well as the associated effects of climate change; and
- Potential strain on local government infrastructure and services.

With those concerns in mind, and given the volume of projects being reviewed by EAO at the same time, EAO set out a strategic approach to LNG projects. This strategic approach included:

- Cross-government work for early identification and resolution of strategic and operational policy issues;
- Coordination of regional forums, open houses and Working Group meetings to improve engagement with Aboriginal Groups, stakeholders and the public; and
- A seamless approach to the regulatory regime.

To bring the strategic approach to fruition, EAO established the LNG Regulatory Working Group, a group of senior officials representing most provincial ministries, to identify government initiatives needed to address both EA and permitting issues that were common across the multitude of proposed projects.

Examples of the results of that work are set out below.

Memorandum of Understanding (MOU) between EAO and OGC

EAO and OGC, as the two key provincial regulators of the LNG industry, established a MOU to:

- Establish a single, predictable regulatory regime for LNG projects;
- Improve engagement with Aboriginal Groups, communities, stakeholders and the public;
- Prevent unnecessary duplication between EAO and OGC;
- Provide the opportunity for proponents to conduct EA and permitting review processes at the same time for timely permit issuance (should an EA Certificate be issued); and
- Design highly effective, legally enforceable conditions, and a robust compliance and enforcement regime.

Cumulative Socio-Economic Effects Management

Local governments and service providers expressed serious concerns about the potential cumulative effects on water and waste infrastructure, as well as demands on social services programs as a result of the proposed pipelines.

To address these potential effects, EAO worked with the Ministry of Community, Sport and Cultural Development (CSCD) to develop a Socio-Economic Effects Management Framework to support planning, mitigation, and reporting on LNG project effects to socio-economic values, as well as engagement with impacted parties.

Environmental Stewardship

Aboriginal Groups, local governments, stakeholders and the public identified a number of issues common across the proposed pipelines that required additional guidance from the Ministry of Forests, Lands and Natural Resources Operations (FLNR), including:

- Timber utilization;
- Access management;
- Wildlife (e.g. grizzly bear, caribou, moose); and
- Old growth forests.

As a result, EAO and FLNR identified a suite of actions to provide clarity on guidance to industry, management principles and appropriate mitigation for project effects.

Aboriginal Relations

Tsilhqot'in Decision

On June 26, 2014, the *Tsilhqot'in Nation v. British Columbia (Tsilhqot'in)* decision was released by the Supreme Court of Canada. The decision clarified the test for Aboriginal title relating to the elements of sufficient and exclusive occupation at 1846 (the time of assertion of Crown sovereignty in British Columbia). In addition, the case set out considerations for government when consulting Aboriginal Groups regarding potential impacts on asserted Aboriginal title claims.

As a result of the *Tsilhqot'in* decision, EAO:

- Reassessed the strength of claimed Aboriginal title overlapping WCGT on the basis of the tests set out in the *Tsilhqot'in* decision;
- Included the results of that reassessment in the Assessment Report;
- Sought Aboriginal Groups' perspectives on both the preliminary assessments of strength of Aboriginal claims and seriousness of impacts, as well as proposed accommodations; and
- Considered other approaches being taken by government that may be relevant to the accommodation for potential impacts to Aboriginal Interests.

After the steps above were completed, EAO determined that the depth of consultation offered to each Aboriginal Group prior to *Tsilhqot'in* was consistent with the Crown's obligations post-*Tsilhqot'in*.

Associated Provincial Initiatives with Aboriginal Groups

EAO considered a number of provincial initiatives that are intended to help address the impacts of LNG-related development, including WCGT, on Aboriginal Groups.

Economic Benefits

The Province has actively pursued economic benefit arrangements with all Aboriginal Groups whose traditional territories would potentially be affected by natural gas pipelines or LNG facilities, including WCGT. Aboriginal Groups have been offered capacity funding to engage in benefit-sharing discussions and have been presented with benefit sharing offers by the Province. These economic benefits are in addition to any economic benefit arrangements between the Proponent and each Aboriginal Group.

LNG Environmental Stewardship Initiative

In May 2014, the Province announced an environmental stewardship initiative (ESI) to be developed collaboratively with Aboriginal Groups affected by proposed LNG projects. The Province initiated the proposed ESI in response to the environmental priorities that Aboriginal Groups expressed. The ESI is a proposal to collaboratively develop a long-term structure that can bring Aboriginal Groups, government, and industry together to monitor, assess, research, maintain and restore important values on the land.

Employment opportunities, training, and benefits

As economic benefit negotiations advance, the Province will be engaging Aboriginal Groups affected by WCGT to supplement community-related skills training requirements.

Conversion of Natural Gas Pipelines to Oil

A number of Aboriginal Groups raised the concern regarding potential conversion of natural gas pipelines to oil. As a result, government has committed to enact a regulation change that prohibits the conversion of natural gas pipelines to carry oil.

D. KEY FINDINGS OF THE ENVIRONMENTAL ASSESSMENT

EAO's Assessment Report examines the potential adverse environmental, economic, social, heritage and health effects of WCGT, and is organized around the following valued components:

<p>Environmental Effects</p> <ul style="list-style-type: none">• Acoustics• Air Quality• Greenhouse Gas Emissions• Soil• Terrain Integrity• Freshwater Fish and Fish Habitat• Water• Wetland Function• Wildlife and Wildlife Habitat• Terrestrial Vegetation• Marine Environment <p>Economic Effects</p> <ul style="list-style-type: none">• Labour Force	<p>Social Effects</p> <ul style="list-style-type: none">• Communities, Infrastructure and Services• Transportation and Access• Land and Resource Use <p>Heritage Resources</p> <ul style="list-style-type: none">• Historic Sites• Archeological Sites• Paleontological sites• Artifacts• Fossils• Features <p>Health Effects</p> <ul style="list-style-type: none">• Human Health
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Issues and concerns raised during the assessment by Aboriginal Groups, the public, local governments, and provincial and federal agencies were all considered by EAO. The EA identified residual adverse effects associated with most of the above valued components. In addition, EAO concluded that the residual effects to GHG emissions and caribou would be significant. EAO's analysis on each valued component is set out in detail in the Assessment Report.

Following are several topic areas reflecting key concerns expressed throughout the EA.

Greenhouse Gas Emissions

In consideration of the impact on provincial GHG targets, EAO identified GHG emissions as a significant adverse effect. The Proponent provided a conservative estimate that at full build-out for the two pipelines, WCGT would contribute to a 7% increase in annual

provincial GHG emissions from 2011 levels. The primary ongoing source of GHG emissions would be combustion at compressor stations.

EAO, with support from Climate Action Secretariat and the Ministry of Natural Gas Development (MNGD), proposes a condition requiring the Proponent to develop a GHG Management Plan that requires WCGT to adhere to MNGD's guidance on *Best Available Techniques Economically Achievable*, regulatory requirements to report on GHG emissions and a number of site specific mitigations.

Wildlife

EAO has predicted that WCGT would have a number of residual adverse effects to wildlife and wildlife habitat. The effects are generated from the pipeline corridor resulting in habitat loss and fragmentation, as well as increased access for humans and predators. These effects are particularly acute for caribou, grizzly bear, and moose.

Caribou

EAO found significant residual adverse effects to caribou herds that would be affected by WCGT. WCGT would directly affect the Graham, Moberly, Kennedy-Siding and Scott herds, which are managed by the Province as South Peace Northern Caribou (SPNC), and the Wolverine herd. WCGT would potentially displace caribou from habitat as a result of sensory disturbance and caribou have very low resilience to disturbance. The effect is considered significant because the success of the proposed mitigation is uncertain.

EAO, with support from FLNR, has proposed two conditions to address impacts on caribou. In addition to mitigation legally required through permitting, the Proponent must develop a caribou mitigation and monitoring plan that also includes a contribution of \$2 million to support a provincial caribou monitoring program.

Grizzly Bear

EAO concluded that WCGT would have residual adverse effects on grizzly bear but that the effects would not be significant. WCGT would likely have adverse effects to grizzly bear largely due to increased mortality risk, though EAO notes there is uncertainty regarding the magnitude of the effects.

In response, EAO with support from FLNR, has proposed two conditions to address impacts on grizzly bear. In addition to mitigation legally required through permitting, the Proponent must develop a grizzly bear mitigation and monitoring plan that also includes a contribution of \$875,000 to support a provincial regional grizzly bear monitoring program.

Nisga'a Memorial Lava Bed Park

WCGT has two proposed route alternatives at the western end of the route - the Kitsault route that would intersect the Nass Wildlife Area and Nass Area; and the Nasoga route that would intersect Nisga'a Lands and the Nisga'a Lava Bed Memorial Park.

Development of the Nasoga route across the Lava Bed Memorial Park would require a

Park Boundary Adjustment from the Minister of Environment, as well as legislative amendments from the BC Government and the Wilp Si'ayuukhl Nisga'a (the Nisga'a Legislature). WCGT has not yet applied for a Park Boundary Adjustment.

If Ministers decide to issue an EA Certificate for WCGT, only one of the routes could be constructed.

Marine Impacts

The Kitsault route includes four areas that would require seabed modification (e.g. blasting, dredging or rock fill), and these may require additional authorization from DFO and other agencies. The Nasoga route does not include any identified seabed modification. For either route option, pipeline construction activities in the marine environment would result in changes to seabed habitat and the creation of underwater noise.

Offshore pipelines would lay directly on the seabed along most of the marine route, which would potentially create a barrier to movement of some marine species, particularly Dungeness crab, which could impact seasonal crab migrations and important crab fisheries. These impacts are of particular concern in areas of Chatham Sound for both route options, and Iceberg Bay for the Nasoga route. EAO proposes a condition that would require the Proponent to develop and implement a Crab Movement Mitigation and Monitoring Plan to ensure that crab movement is not materially impaired.

The Kitsault landfall (Kitsault route) and Ridley Island landfall (both routes) have historically contaminated sediment, which led to concerns about the re-suspension of these contaminated sediments. While the analysis suggests that the concentrations of contaminants would be within the guidelines established by regulators, EAO proposes a condition requiring monitoring of contaminant levels and their potential impact to marine foods and human health.

There was some concern related to potential noise disturbance to marine mammals, particularly whales, during both construction and operations. Serious construction noise effects can largely be mitigated and operational noise is expected to be minimal. EAO proposes a condition requiring marine mammal monitoring during construction and monitoring of noise levels during operations.

Mining

WCGT has potential interactions with future mine-site development: the Kitsault Mine Project - Bell Moly site (Avanti Mines Inc.); and the Kwanika property (Serengeti Resources).

The Avanti Bell Moly site is not currently slated for development though it is in Avanti's future plans. The Proponent is in discussions with Avanti Mines Inc. seeking to minimize potential disruptions to future mine development.

WCGT rerouted the pipeline to avoid the Serengeti Resources claim area to the north. The Proponent has indicated that continued communication with Serengeti Resources would occur seeking to minimize potential disruptions to future mine development.

If an EA Certificate is issued, it would not convey rights to the land base. As such, potential interactions with mineral tenure holders would be reconciled through the permitting process.

Forestry

In light of recent mill closures, concern was expressed about the potential impacts on timber associated with pipeline right of way clearing – especially the potential for that timber to be wasted. EAO worked with FLNR, forest industry associations and BC Timber Sales to propose two conditions to address the concerns. Those conditions set out consultation requirements between the Proponent and timber tenure holders, and requirements to report on timber marketing plans and timber utilization.

Mitigation through Project Design

The key aspect of mitigating effects for linear projects rests in the project design and routing. WCGT identified a number of factors considered when evaluating the pipeline route presented in the EA, for example:

- Following previously cleared areas that are the result of forest harvesting or other linear developments;
- Avoiding disturbance to Parks and protected areas, where practical;
- Minimizing the number of watercourse crossings;
- Minimizing the length of disturbance in wetlands;
- Minimizing disturbance to sensitive habitats;
- Ensuring compatibility with existing land use (including traditional land use);
- Selecting a marine route along a smooth sea bottom where possible, with low side slopes and an absence of geohazards;
- Avoiding aquaculture tenures;
- Avoiding or mitigating for other marine environmental resources; and
- Considering concerns raised by commercial fishing organizations.

In addition, WCGT proposed a number of important route changes during the EA based on feedback and input from Aboriginal Groups and the Working Group during the EA. Some of the key changes included:

- South Peace Caribou Herds – to avoid identified core habitat areas and reduce potential impacts on the Treaty 8 Right to Hunt;
- Wolverine Caribou – to avoid or minimize the impact on identified sensitive areas;
- Kwanika Mine – to reduce potential interactions between WCGT and future mine-site development;

- Callazon Creek – to reduce potential impacts to bull trout in Callazon Creek and to meet FLNR management objectives;
- Babine/Skeena River Area – to avoid potential riparian habitat disturbances and meet visual quality objectives for the area;
- Borden Mainline Forest Service Road and Cranberry River Crossing – moved the route further north to minimize clearing in the Gitanyow First Nations ecosystem core area;
- Chatham Sound – to avoid potential interference with glass sponge colonies; and
- West of Prince Rupert – to avoid the Metlakatla shellfish tenure application.

Development of Common Certificate Conditions

EAO crafted the conditions for WCGT in consideration of the pipeline regulatory regime administered by the OGC in order to avoid unnecessary duplication, and to complement subsequent permits if an EA Certificate is granted.

EAO has also proposed conditions for WCGT in consideration of other proposed LNG projects where applicable. As a result, EAO anticipates a high degree of consistency in conditions across projects, enabling a predictable compliance and enforcement regime.

In addition, the conditions proposed for WCGT include a number of stewardship initiatives that are very similar to the Coastal GasLink Project and are likely to be emulated in other projects. This will enable the management of the potential cumulative effects to timber, wildlife (caribou, grizzly bear, moose) and old growth forests.

E. ABORIGINAL CONSULTATION

EAO examined potential impacts of WCGT on treaty rights and asserted Aboriginal rights and title (Aboriginal Interests). Throughout the EA, EAO consulted with 24 Aboriginal Groups (including two Aboriginal associations) and the Nisga'a Lisims Government.

Given the linear nature of WCGT, at the early stages of the EA, EAO relied primarily on the proximity of WCGT to an Aboriginal Group's asserted traditional territory to determine which Aboriginal Groups to consult.

To that end, those Aboriginal Groups with Aboriginal Interests within 2 km of WCGT were provided consultation opportunities at the deeper level of the consultation spectrum. Those Aboriginal Groups located within 30 km of WCGT were provided consultation opportunities at the lower level of the consultation spectrum.

Following subsequent discussions with Aboriginal Groups regarding potential impacts of WCGT on Aboriginal Interests, EAO provided several Aboriginal Groups with consultation opportunities at the deeper level of the consultation spectrum.

EAO consulted the following Aboriginal Groups, listed below by cultural affiliation and/or tribal council or association:

<p>Treaty 8</p> <ul style="list-style-type: none"> • Blueberry River First Nations • Dene Tha' First Nation • Doig River First Nation • Fort Nelson First Nation • Halfway River First Nation • McLeod Lake Indian Band • Prophet River First Nation • Saulteau First Nations • West Moberly First Nations • Treaty 8 Tribal Association <p>Carrier Sekani First Nations</p> <ul style="list-style-type: none"> • Lake Babine Nation • Nak'azdli Band • Takla Lake First Nation • Tsay Keh Dene Nation • Tl'azt'en Nation • Yekooche First Nation • Carrier Sekani Tribal Council <p>Tsimshian</p> <ul style="list-style-type: none"> • Gitxaala Nation • Kitselas First Nation • Kitsumkalum First Nation • Lax Kw'alaams Band • Metlakatla First Nation <p>Gitxsan (<i>huwilp</i>)</p> <ul style="list-style-type: none"> • Geel • Nii Kyap • Gitludahl • Tsa Buk • Gwii Yeehl • Wii Gyet • xGwoimtxw • Wii Mugulxw • Haiwaas • Miluulak 	<ul style="list-style-type: none"> • Delgamuukw • Gitgwinuxw • Luus • Wii Hlengwax • Yagosip • Antgililbix • Wii Gaak • Wii Minosik • Luutkudziiwus • Kliiyem Lax Haa • Gyologyet • Djogaslee • Lelt • Mauus • Yal • Tenim Gyet • Wii Eelast • Giist • Baskyatsinhlikit • Gwininitxw <p>Gitanyow</p> <ul style="list-style-type: none"> • <i>wilp</i> Gamlakyeltxw (as represented for the purposes of consultation by the Gitanyow Hereditary Chiefs' Office) • <i>wilp</i> Malii (as represented for the purposes of consultation by the Gitanyow Hereditary Chiefs' Office) • <i>wilp</i> Gwaas Hla'am (as represented for the purposes of consultation by the Gitanyow Hereditary Chiefs' Office) • <i>wilp</i> Watakhayetsxw (as represented for the purposes of consultation by the Gitanyow Hereditary Chiefs' Office) • <i>wilp</i> Luux Hon
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Aboriginal Groups expressed many concerns regarding the potential impacts of WCGT and the adequacy of EAO's assessment, including:

- Capacity to participate in multiple EAs;
- Cumulative effects including upstream development;
- Conversion of a natural gas pipeline to an oil pipeline;
- OGC permitting of ancillary facilities;
- Air quality and GHG emissions;
- Accidents and malfunctions;
- Effects to hunting, fishing, trapping, gathering and cultural heritage interests; and
- Proposed Project-related employment opportunities and economic benefits.

Each of these issues and EAO's responses are set out in detail in EAO's Assessment Report.

EAO heard extensive concerns expressed by almost all of the Aboriginal Groups regarding the volume and pace of work associated with the consultation and review of multiple LNG projects. To address these concerns, EAO:

- Held regional workshops to address cross-project issues at a strategic level;
- Provided grant funding to Aboriginal Groups for multiple projects in lump sums to enable more effective use of EAO funding;
- Appointed an EAO LNG First Nations lead to support strategic and project-specific consultation;
- Coordinated consultation with OGC with the goal of reducing the consultation burden on Aboriginal Groups;
- Considered and granted, where possible, timeline extensions for participating Aboriginal Groups; and
- Sequenced EAO-led Working Group meetings and public open houses to decrease potential overlap between meetings and consultation fatigue.

The EA process examined potential impacts of WCGT on Aboriginal Interests. Examples of the potential impacts include the following:

- Potential disruption of subsistence activities during construction, including hunting, trapping, fishing, and plant gathering, in both the terrestrial and marine environments;
- Access for Aboriginal Groups to the proposed corridor area to hunt, trap, fish, gather or conduct other activities may be affected in the short term, during the construction phase, where access may be restricted for safety reasons;
- Associated infrastructure including access roads and temporary construction camps may impact use of these areas, as well as trails, including marine travel navigability or travelways, resource harvesting and areas associated with home sites in the short term; and
- Right of way clearing may disrupt use of lands including use of areas as trails, travelways, resource harvesting and areas associated with home sites.

EAO developed responses to the issues and accommodation measures that addressed Aboriginal Group concerns to the extent practicable. These accommodation measures were developed to appropriately address key concerns raised during the EA, recognizing

that consultation would continue in future regulatory processes if an EA Certificate is issued.

In addition, EAO proposed a suite of conditions dedicated to addressing Aboriginal Groups' concerns about:

- Continued access to harvest medicinal and food source plants, traditional use activities and trap lines;
- Information sharing on the future regulatory requirements, construction and operations activities;
- Cultural awareness training for the Proponent's personnel;
- Opportunities to participate in construction monitoring; and
- Continued consultation obligations.

The Crown has a responsibility to weigh the potential impacts and accommodations on Aboriginal Interests with other societal interests, including the social, environmental and economic benefits of WCGT.

In weighing the impacts of WCGT on Aboriginal Interests, as set out in the Assessment Report and summarized above, EAO recommends that Ministers consider the following factors in the context of potential impacts on Aboriginal Interests:

- Importance of WCGT to the local, regional, and provincial economy;
- Resources or values that may no longer be available for future generations; and
- Benefits of WCGT to affected Aboriginal communities.

Importance to provincial and regional economy

Government has made the development of the LNG industry a key priority. Exporting BC's natural gas has been described as a pivot to BC's economic recovery and growth - set out as a priority in every throne speech since October 2011.

Resources or values available for future generations

Traditional subsistence activities would be altered as a result of construction and operations activities of WCGT, which could result in changes to harvesting locations, in both terrestrial and marine environments, sensory disturbance of environmental resources, or increased public access to traditional harvesting areas and pressure on environmental resources. EAO is of the view that the Proponent has made demonstrable efforts to avoid high value areas for Aboriginal Groups by following previously disturbed areas and by making several routing alterations in response to feedback from Aboriginal Groups.

Benefits to affected Aboriginal communities

WCGT proposes a number of initiatives for Aboriginal groups. These initiatives include:

- Opportunities for long-term economic benefits of the proposed Project, including jobs, contracts and long term benefit agreements;
- Training and education plan to create opportunities for Aboriginal Groups;
- Continue to provide work and/or employment opportunities for Aboriginal Groups during field studies; and
- Continue to communicate and engage with Aboriginal Groups.

EAO is satisfied that:

- The process of consultation with Aboriginal Groups has been carried out in good faith, and that the process was appropriate and reasonable in the circumstances; and
- The Crown has fulfilled its obligations for consultation and accommodation to Aboriginal Groups relating to the issuance of an EA Certificate for WCGT.

F. NISGA'A NATION CONSULTATION

WCGT would pass through Nisga'a Lands, the Nass Wildlife Area and the Nass Area, as established under the *Nisga'a Final Agreement*.

On July 31, 2014, the Province and Nisga'a Lisims Government entered into an Agreement to establish a process for collaboration in EAs to strive to reach consensus at key decision points. EAO and Nisga'a Lisims Government have been working collaboratively throughout the WCGT EA, and there are no outstanding substantive concerns.

EAO completed an assessment of the obligations under the *Nisga'a Final Agreement*. EAO concluded the proposed Project is not reasonably expected to have adverse environmental effects on residents of Nisga'a Lands, Nisga'a Lands or Nisga'a interests set out in the *Nisga'a Final Agreement* under Chapter 10, paragraph 8(e). EAO is satisfied that the obligations under paragraph 8(f) of Chapter 10 of the *Nisga'a Final Agreement* regarding an assessment of the effects of the project on the existing and future economic, social, and cultural well-being of Nisga'a citizens who may be affected by the project have been met.

G. LOCAL GOVERNMENT CONSULTATION

The following local governments were invited to participate on EAO's Working Group:

Regional Districts

Peace River Regional District
Regional District of Fraser Fort George
Regional District of Bulkley-Nechako
Regional District of Kitimat-Stikine
Skeena-Queen Charlotte Regional District

Municipalities

City of Fort St John
District of Taylor
City of Dawson Creek
District of Hudson's Hope
Village of Pouce Coupe
District of Chetwynd
District of Mackenzie
District of Tumbler Ridge
City of Prince George
District of Fort St James
District of Vanderhoof
Village of Fraser Lake
Village of Burns Lake
District of Houston
Village of Granisle
Town of Smithers
District of New Hazelton
Village of Hazelton
District of Stewart
City of Terrace
City of Prince Rupert
District of Port Edward
District of Kitimat

Local governments expressed concern about the potential increased demands on community utilities and services, health care, waste management facilities, housing and accommodation, and social services.

The main construction camps for WCGT are proposed to be located near the communities of Halfway River, Hudson's Hope, Chetwynd, Mackenzie, Takla Landing, Fort Babine, Hazelton, and Nisga'a villages in addition to camps in remote areas, although the Proponent has not finalized the exact location of each camp.

To address these issues, EAO, working closely with the CSCD, has proposed a condition for the development of a Socio-Economic Effects Management Plan, which would include monitoring activities to inform management of potential cumulative socio-economic effects relating to pipeline construction and other projects. CSCD would take the lead coordinating role in this work.

G. PUBLIC CONSULTATION

The Proponent carried out a program of public consultation in local communities, including Nisga'a villages, which met the requirements of EAO. EAO held public

comment periods and hosted open houses during Pre-Application and Application Review Stages. The majority of the public comments EAO heard were regarding:

- The number of proposed projects;
- Interest in employment and contracting opportunities;
- Potential effects to local lifestyles and hunting, fishing and cultural preservation;
- Potential cumulative effects of several proposed pipeline projects, and a desire to see the Province coordinate pipeline development across projects;
- Potential cumulative effects from hydraulic fracturing, related to wildlife, land and water;
- Potential cumulative effects to salmon habitat in the Skeena Estuary;
- Potential cumulative effects to climate change and BC's GHG targets;
- Potential effects to caribou and moose; and,
- Pipeline safety.

EAO is satisfied that issues summarized above were addressed through the Assessment Report analysis, the provision of responses from WCGT, or the proposed conditions.

H. ADDITIONAL CONSIDERATIONS

Ministers may consider other matters that they consider relevant to the public interest in making their decision on whether to grant an EA Certificate to the Proponent. It is recommended that Ministers consider, in addition to the findings of the Assessment Report, the following matters.

Economic Benefits

WCGT would have an estimated capital cost of \$7.5 billion, with 84% expected to be spent between 2014 and 2019 to construct a single pipeline and compressor units, and the additional 16% to increase compressor capacity. The \$7.5 billion in capital expenditures related to initial Project capacity would be expected to include \$5.0 billion of direct capital expenditures in Canada, of which \$3.3 billion would be spent in BC. Development of the second proposed pipeline would require additional capital expenditure.

Government revenues from taxes are expected to be \$722 million over the construction period and \$35 million per year during operations. In addition, carbon taxes are estimated to be \$14 million per year for the initial capacity, and up to \$101 million per year at full build-out.

Contribution to Community Development

Annual municipal/ regional revenues are estimated to be \$25 million per year. Direct labour income from Project construction is estimated at \$1.1 billion, of which \$750 million would be earned in BC.

Other Considerations

The *BC Jobs Plan (2012)* commits to job creation and economic stability by leveraging BC's industry sectors, including the natural gas and LNG sectors:

- The vision of the *BC Natural Gas Strategy (2012)* is for BC to be a global leader in secure and sustainable natural gas investment, development and export. To achieve this vision, the strategy requires BC to: maintain current and develop new markets and ensure a reliable, abundant supply; maintain competitiveness; maximize the benefits of natural gas development; ensure environmentally responsible development; and build partnerships to promote development. The strategy also identifies natural gas as a climate solution – a transition fuel to a low carbon global economy.
- The vision of the *BC Liquefied Natural Gas Strategy (2012)* is three LNG plants in operation by 2020. Goals include developing an LNG sector that is globally competitive and to maintain BC's leadership on climate change and clean energy. It is acknowledged that BC LNG exports will affect BC's own climate action targets but are expected to have a positive overall effect by significantly lowering global GHG production. Natural gas production in BC will need to more than double from current levels to meet LNG development goals.

I. RECOMMENDATION:

Based on the findings in the Assessment Report and the matters identified in Section H above, WCGT should receive an EA Certificate, for the following reasons:

- The costs of WCGT would be borne by present generations affected by the cleared corridor width during operations. Once the Proponent has reclaimed the majority of the construction footprint, the relative costs to future generations would be reduced, but not completely eliminated.
- Associated provincial initiatives with Aboriginal Groups including economic benefits, LNG environmental stewardship initiative and employment opportunities, training and skills development, are substantial commitments by the Province. EAO understands that those initiatives are at the early stages of discussion with Aboriginal Groups.
- The potential pressure on local governments and service providers for infrastructure and services provision has been mitigated to the satisfaction of EAO.
- The economic and social benefits from WCGT are related to revenue, employment, and contracting opportunities, and would accrue to the present and next generations. Presently, direct benefits would flow to local governments within the northern region and provincially for over 50 years. Benefits would also accrue to the future generation as a consequence of community development.

The Executive Director recommends that an Environmental Assessment Certificate be issued to Westcoast Connector Gas Transmission Ltd. in connection with its Application for the proposed Westcoast Connector Gas Transmission Project on terms and conditions that require the Westcoast Connector Gas Transmission Ltd. to comply with the Schedules of the proposed Certificate.

Submitted by:



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