File: 30200-20/TENCO-05-06

Reference: 392987

October 6, 2022

SENT VIA EMAIL

Dan Farmer
Chief Operating Officer
Telkwa Coal Limited
Suite 1410 - 409 Granville Street
Vancouver BC V6C 1T2
dfarmer@allegiancecoal.com.au

Dear Dan Farmer:

This letter outlines additional information required by the Environmental Assessment Office (EAO) to complete our assessment of potential effects of the Tenas Project on the Telkwa caribou herd.

Background

In consideration of input and technical advice from numerous parties during the Application Review phase to date, the EAO is of the view that additional information is necessary to understand the nature and extent of potential effects of the Tenas Project on the Telkwa caribou herd, which belongs to the federally threatened Southern Mountain population of Woodland Caribou. Working group members, the Wet'suwet'en, and members of the public have all emphasized the importance of protecting and sustaining the Telkwa caribou herd and of ensuring effects and proposed mitigations are consistent with the goals and objectives of the federal Recovery Strategy for the Woodland Caribou, Southern Mountain population.

…2

Caribou Information Requests

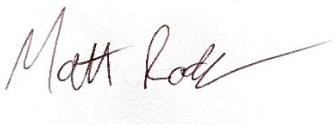
The EAO considered Telkwa Coal Limited's (TCL's) views and the advice of caribou experts from the Ministry of Land, Water, and Resource Stewardship (LWRS) and Environment and Climate Canada (ECCC) to develop the attached caribou information requests (IRs). Please carefully review these IRs, which I am issuing pursuant to Section 18.1 of the Section 11 Order, dated June 25, 2019, and work closely with the EAO, LWRS, ECCC, and other relevant parties such as Indigenous nations to develop substantive responses.

Transition to the 2018 BC *Environmental Assessment Act* and Next Steps

Further to our recent discussions regarding the completion of the environmental assessment (EA), it is my understanding that the Tenas Project will transition to a review under the 2018 *Environmental Assessment Act* (the 2018 Act) by November 8, 2022. I note that the 2018 Act includes an Effects Assessment and Recommendation phase, during which the EAO will work closely with EA participants to draft the assessment report, recommendation, and other referral materials for provincial decision makers. TCL must adequately respond to the caribou IRs, and any other IRs that may be issued by the EAO, before the Effects Assessment and Recommendation phase can begin. Further information regarding the details of the transition to the 2018 Act will be provided in the coming weeks.

If you have any questions about any part of this letter, please contact me at Matthew.Rodgers@gov.bc.ca or 250 893-2841.

Yours truly,



Matt Rodgers

A/Project Assessment Director

Attachment: Tenas Project Information Requests: Caribou

…3

cc:

Marla Bojarksi
Project Assessment Officer
Environmental Assessment Office
Marla.Bojarski@gov.bc.ca

Tracy James
Executive Project Director
Environmental Assessment Office
Tracy.James@gov.bc.ca

Ashleigh Ballevona
EA Specialist
Telkwa Coal Limited
aballevona@allegiancecoal.com.au

Mark Gray
Chairman
Allegiance Coal Limited
mgray@allegiancecoal.com.au

Tenas Project
Information Requests: Caribou
October 6, 2022

References

- Environment and Climate Change Canada (ECCC) Comment IDs: 410, 412, 416, 417, 422, 425
- Ministry of Land Water and Natural Resource Stewardship (LWNRS) Comment IDs: 405, 407, 408, 412, 416, 417, 420, 422, 424, 491
- ECCC letter of August 26, 2022, titled **Tenas Project – Environment and Climate Change Canada's Round 2 Comments on Application Review.**
- LWRS letter of September 9, 2022, titled **Tenas Project EAC Application– Caribou Impact Assessment Review, Province of BC**.
- Chapter 8 of the EA Certificate Application; multiple sections
- Wildlife Baseline Report

Rationale

Environment and Climate Change Canada

- ECCC reviewers have identified that the Application omits or mischaracterizes information about the Telkwa caribou herd and includes methodological shortcomings regarding the assessment of residual effects on the herd, both of which also implicate proposed mitigation and offsetting measures.

- The Recovery Strategy for the Woodland Caribou, Southern Mountain population (*Rangifer tarandus caribou*) in Canada (Environment Canada, 2014) indicates that, for the Northern Group, which includes the Telkwa herd, minimal disturbance of high elevation winter and/or summer ranges and at least 65% undisturbed habitat for low elevation winter range and Type 1 matrix range is considered necessary to achieve recovery to the level/goal of a self-sustaining population. The amount of disturbed habitat in the Telkwa herd's range currently exceeds both of these disturbance thresholds.

- The Application acknowledges that the Project would contribute to existing habitat disturbance, but the 500 metre (m) buffer used in the Application is insufficient to calculate and assess the indirect effects of the Project.

- ECCC is of the view that the mitigation measures proposed by the Proponent are insufficient to fully mitigate the direct and indirect adverse effects of the Project on caribou and multiple categories of caribou critical habitat (including high elevation, low elevation, and matrix).

- ECCC notes that additional impacts from the Project are inconsistent with the finding of the imminent threat assessment that indicates immediate intervention is needed to allow for eventual recovery of the species. These impacts are likely to impede the recovery goal set out in the federal Recovery Strategy, which is to achieve self-sustaining populations in all local population units within their current distribution

Land Water and Natural Resource Stewardship

- Caribou experts agree that the Application's conclusion of *Not Significant* adverse effects of the Project on caribou and caribou habitat does not adequately consider the decades of scientific understanding on Telkwa caribou, applies methodology that is inadequate to inform the effects assessment, and mischaracterizes caribou habitat.

- The province has concerns that this project will further the decline of the Telkwa caribou herd, will compromise recovery measures, and could trigger a protection order under Section 80 of the *Species at Risk Act* (SARA).

- To achieve the objective of a self-sustaining population, all range types within core-matrix habitat will need to be managed to both support a larger population and manage predator-prey dynamics within the range.

- The characterization and importance of matrix habitat for Telkwa caribou, and implications via predator-prey dynamics, is not addressed in the application or in the review comment responses.

- Project impacts and residual effects, including direct removal of important habitat for >10 years, restrict the ability of the Telkwa caribou herd to expand and will likely lead to further population declines as habitat quality and quantity are reduced. The methods applied by the Proponent in their assessment of use and selection by the Telkwa caribou herd are not adequate to assess impacts and risk. The Provincial definition for core habitat includes areas with future potential to support self-sustaining populations and this is not reflected in TCL's Application.

- The federal Recovery Strategy states that for the Northern Group, minimal disturbance of high elevation winter and/or summer ranges and at least 65% undisturbed habitat for low elevation winter range and matrix range are considered necessary to achieve recovery. Both core and matrix habitat are considered critical habitat. The total disturbed habitat in the Telkwa caribou herd range currently exceeds both federal disturbance thresholds.

- The assumption by the Proponent that the Project will cause little net increase in disturbance is not consistent with established science regarding the magnitude or duration of anthropogenic disturbance on caribou ecology or persistence.

- The proponent failed to take into consideration that habitat suitable for caribou will take decades to recover and activities that contribute to either continued net loss of habitat or increasing the temporal lag on habitat recovery contribute to the increased risk to the Telkwa caribou herd.

- The proposed disturbance buffering is not sufficient to account for impacts to caribou use, habitat loss, habitat abandonment or displacement, and increased stress from permanent, transient, and sensory disturbances.

- The province has an expectation that the assessment of impacts will have a foundation in and application of the environmental mitigation hierarchy, including mitigation and offsetting for residual effects.

Information Requests

Theme	Information Request
Buffers	Current proposed disturbance buffering is not sufficient to account for impacts of the Project to caribou use, habitat loss, habitat abandonment or displacement, increased predation risk, and increased stress from permanent, transient, and sensory disturbances. Within the scope of the Project, inactive resource roads should be buffered by at least 500 m, active resource roads should be buffered by at least 1.8 kilometres (km), and active mine sites should be buffered by at least 3+ km, all with appropriate rationale provided for determination of zone-of-influence (ZOI) for each activity, disturbance, and status. The above guidelines are the minimum and TCL must work with ECCC and LWRS to develop agreed upon buffers for the additional assessment.
Effects assessment and critical habitat	Based on the location of the Project within the Telkwa caribou range, the Application does not provide sufficient rationale to support the determination that the Project and its associated disturbances will result in no direct or indirect habitat loss. TCL must work with ECCC and LWRS to appropriately characterize the adverse effects of the Project, both direct and indirect, given revised disturbance buffering outlined above, and given the context that the total existing disturbance in the Telkwa herd range already exceeds both federal disturbance thresholds (i.e., minimal disturbance of high elevation winter and/or summer ranges, and at least 65% undisturbed habitat for low elevation winter range and Type 1 matrix categories of critical habitat). Working with ECCC and LWRS will enable mutual understanding of the varying definitions of direct and indirect effects. TCL must identify adverse effects (loss, alteration, disruption) to each critical habitat type as identified in the Recovery Strategy using the most current critical habitat mapping and using scientifically relevant buffers regardless of current habitat disturbance status.
Offsetting for direct and indirect effects	TCL must work with ECCC and LWRS to develop an adequate assessment following the mitigation hierarchy, including appropriate mitigation and offsetting measures (e.g., securement, habitat restoration) at agreed upon ratios[1] [2]. Multiple ratios may apply depending on the specifics of the impacted and offset habitat types and locations.

[1] BC Ministry of Environment. 2014. Procedures for mitigating impacts on environmental values, Version 1. Victoria, BC.

[2] Environment Canada. 2012. Operational Framework for Use of Conservation Allowances. Environment Canada, Ottawa, ON. 13pp.

	Mitigation measures should be developed with scientifically defensible buffers using the most current draft of caribou critical habitat mapping, while considering the high risk to caribou given previous impacts to the landscape and the small population size of the Telkwa caribou herd, and follow the mitigation hierarchy of avoid, reduce, and compensate/offset. Offsets must be designed to deliver tangible, measurable, on-the-ground conservation outcomes for caribou that are clearly linked to the impacts predicted to remain after all other mitigation measures are applied, and result in net increase of caribou habitat, at agreed upon ratios. The temporal lag of measures needs to be clearly represented in the assessment of conservation outcomes.
Acoustic modeling and impacts (assessment of indirect effects)	The current model is overly simplistic given values in the receiving environments. TCL must conduct acoustic modeling that considers terrain and atmospheric conditions to accurately assess the effects of blasting associated with pit development on caribou. This includes residential areas as well as caribou core habitat.