# Ministers' Reasons for Decision

## IN THE MATTER OF AN APPLICATION FOR AN ENVIRONMENTAL ASSESSMENT CERTIFICATE FOR KSI LISIMS LNG – NATURAL GAS LIQUEFACTION AND MARINE TERMINAL PROJECT

SEPTEMBER 15, 2025

BRITISH COLUMBIA
EAO | Environmental Assessment Office

## 1.0 NATURE AND SCOPE OF THE DECISION

On August 7, 2025, the Chief Executive Assessment Officer (CEAO) referred an application from Nisga'a Nation, Rockies LNG Limited Partnership and Western LNG LLC (the Proponents) for an environmental assessment certificate (Certificate) for the Ksi Lisims LNG - Natural Gas Liquefaction and Marine Terminal Project (Ksi Lisims LNG or the Project) to us. We are the "ministers", as defined in the *Environmental Assessment Act* (the Act).

Ksi Lisims LNG would receive up to two billion cubic feet per day of pipeline grade natural gas and would have a total storage capacity of 490,000 cubic metres of liquefied natural gas. The Project would export up to 22.4 billion cubic metres per year of liquid natural gas (LNG). Ksi Lisims LNG is located on Category A Lands under the Nisga'a Treaty, at the site of the former Indian Reserve, Wil Milit, on Pearse Island, on the Northwest coast of British Columbia. The Project and/or associated activities occur in the territories of the Nisga'a Nation, Gitga'at First Nation, Gitxaała Nation, Kitselas First Nation, Kitsumkalum First Nation, Lax Kw'alaams Band, Metlakatla First Nation, Haida Nation, and Gitxsan Wilp Denimget, Tsihl Gwellii Laxwiiyip.

We note that the Ksi Lisims LNG underwent a substituted review to meet the requirements of the federal *Impact Assessment Act* (IAA). The EAO worked in close coordination with the Impact Assessment Agency of Canada (the Agency), and other federal agencies to complete the assessment that met both provincial and federal legislative requirements for assessment of Ksi Lisims LNG and Crown consultation obligations.

The EAO also provided the following materials for our consideration:

- Assessment Report from the EAO that considers all required matters under Section 25 of the *Environmental Assessment Act* (the Act), including the recommendation referred to in Section 29(2)(b)(i) of the Act (the sustainability recommendation).
- Draft Certificate, with a Certified Project Description and Table of Conditions;
- Recommendation from the CEAO that a Certificate be issued, having concluded that Ksi Lisims LNG is consistent with the promotion of sustainability in British Columbia (B.C.), and that the matters in Section 25 have been assessed sufficiently.
- The Assessment Report includes assessments conducted under Section 19(4) of the Act, which are assessments with respect to the potential effects of the project on the nation and on its rights recognized and affirmed by Section 35 of the *Constitution Act, 1982*, by the following Participating Indigenous nations:
    - Gitga'at First Nation carried out an assessment of effects on Gitga'at First Nation and its rights and interests;
    - Kitselas First Nation carried out an assessment of the Project effects on Kitselas Values;
    - Lax Kw'alaams and EAO cooperatively carried out an assessment of the Project on Lax Kw'alaams rights and interests; and,
    - Metlakatla First Nation provided their rights impact assessment of Ksi Lisims LNG.
- Notifications received from participating Indigenous nations regarding consent or lack of consent to issuing a Certificate:
    - Gitga'at First Nation: Letter dated July 11, 2025, stating Gitga'at First Nation's consent to the issuance of a Certificate for Ksi Lisims LNG.
    - Gitxaała Nation: Letter dated July 11, 2025, stating Gitxaała Nation leadership has not made a consent decision to the issuance of a Certificate for Ksi Lisims LNG.

  - Kitselas First Nation: Letter dated July 10, 2025, stating Kitselas First Nation's consent to the issuance of a Certificate for Ksi Lisims LNG.
  - Kitsumkalum First Nation: Letter dated July 7, 2025, noting Kitsumkalum First Nation does not consent to the issuance of a Certificate for Ksi Lisims LNG.
  - Lax Kw'alaams Band: Letter dated August 18, 2025, stating Lax Kw'alaams Band does not consent to the issuance of a Certificate for Ksi Lisims LNG.
  - Metlakatla First Nation: Letter dated July 11, 2025, stating Metlakatla First Nation does not consent to the issuance of a Certificate for Ksi Lisims LNG.
- A letter from the Haida Nation dated July 10, 2025, stating they do not consent to Ksi Lisims LNG or the associated vessel traffic that would transit Haida Territorial Waters. Although the Haida Nation, represented by the Council of the Haida Nation, chose not to identify as a participating Indigenous nation, the EAO consulted them throughout the EA process. As the Haida Nation was not a participating Indigenous nation in the EA process, this expression of lack of consent does not constitute a notification pursuant to Section 29(2)(c) of the Act.
- A letter from the Nisga'a Nation dated January 31, 2025, noting their support for Ksi Lisims LNG. Nisga'a Nation, the EAO and the Impact Assessment Agency of Canada developed a Collaborative Workplan for the Ksi Lisims LNG environmental Assessment. The EAO collaborated with Nisga'a Nation on the assessment in accordance with paragraph 8(e) and 8(f) of Chapter 10 of the Nisga'a Final Agreement.
- Dispute resolution facilitators' reports, provided by facilitators appointed to provide support on disputed matters between the EAO and the Lax Kw'alaams Band, Metlakatla First Nation and Gitga'at First Nation during effects assessment.
- Correspondence between the EAO and Lax Kw'alaams Band and the EAO and Metlakatla First Nation, on matters raised in consultation during the assessment, including dispute resolution.

## 2.0 MINISTERS' CONSIDERATIONS

To make our decision, we considered the following:

- All the materials provided by the CEAO, including the findings of the EAO with respect to effects of Ksi Lisims LNG, and his recommendation for a Certificate;
- How the environmental assessment of Ksi Lisims LNG was consistent with the purpose of the EAO to support reconciliation with Indigenous peoples in British Columbia;
- Whether Ksi Lisims LNG is consistent with the purpose of the EAO to promote sustainability by protecting the environment and fostering a sound economy and the well-being of British Columbians and their communities; and,
- The role of the Government of Canada in addressing matters under federal jurisdiction.

### 2.1. Recommendations of the Chief Executive Assessment Officer

The CEAO advised us that, after considering the EAO's Assessment Report and other materials, he was satisfied that the proposed Certificate conditions and the proposed Certified Project Description would prevent or reduce potential adverse environmental, economic, social, cultural and health effects, such that no significant adverse effects are expected from Ksi Lisims LNG, with the exception of significant adverse effects on greenhouse gas (GHG) emissions from the use of natural gas-fired power barges used to electrify the project prior to connection to the BC Hydro electrical grid. We also

note that EAO considers the GHG emissions from power barge use, prior to the project becoming electrified, as not contributing to the promotion of sustainability because of the emissions' contribution to climate change on a global scale and that global climate change could result in impacts to the environment, communities and First Nations' Aboriginal rights and title.

The CEAO also acknowledged EAO's finding that cumulative effects to community health and wellness, as a result of residual effects of Ksi Lisims LNG interacting with the effects of other past, present, and reasonably foreseeable future projects, are likely to be significant. We note that Ksi Lisims LNG's contribution to these cumulative effects would be limited, due to the Project's limited physical overlap with other regional projects and activities, planned self-sufficient on-site medical services and worker accommodations and the EAO's proposed conditions requiring the Holder to participate in regional cumulative effects initiatives if created by provincial or local governments.

The CEAO proposed fourteen project-specific conditions to manage the potential effects from Ksi Lisims LNG, developed in collaboration with First Nations. The Conditions are proposed to ensure:

- Sharing of information regarding Ksi Lisims LNG with the public through multiple communication platforms;
- Supporting and collection of public feedback, and to create a process for managing and responding to public comments and questions, and to develop reports in consultation with First Nations;
- Implementation of a plan for being ready to achieve net-zero greenhouse gas emissions by 2030 and update the plan in 2028 and again at least every five years;
- Communication with marine users, including First Nations and Nisga'a Nation, about project activities and LNG shipping schedules, manage and respond to reports of LNG-related concerns, and describe the grievances process for marine users who have been impacted by the project;
- Development and implementation of a plan for how health and medical services would be provided to workers;
- Development of a or gender and cultural safety plan applicable to all workers of the Project;
- Provision of accessible medical and mental health services on-site, including sexual health support and resources and substance use training and support;
- Management of potential Project-related impacts to local communities and their services, infrastructure and economy are addressed;
- Management of impacts to local services and infrastructure that may result from increased traffic, procedures for addressing transportation effects, emergency response plans, and restrictions on worker transportation methods;
- Use of the full electrical capacity that is available and supplied to the Project by BC Hydro for Project Operations and reduction in the use of natural gas-fired power barges accordingly, thereby lowering greenhouse gas emissions;
- Confirmation of baseline conditions for a portion of the future transmission line to be built to provide electricity to the project;
- Participation by the proponent in any regional committees set up by provincial or local governments to address regional socioeconomic and environmental and marine shipping issues;
- Marine water quality monitoring; and,
- Wildlife monitoring and management.

The substituted environmental assessment allowed key issues raised by First Nations, the public, and provincial and federal technical advisors to be considered in a coordinated manner and resolved by the most appropriate party. As part

of this substituted environmental assessment process, the EAO worked with the Nisga'a Nation and provincial and federal permitting agencies to identify the permits and authorizations Ksi Lisims LNG would need in addition to the Certificate, through the development of a *Joint Permitting Regulatory Coordination Plan*.

To fulfill his role in completing the requirements under the Impact Assessment Cooperation Agreement between Canada and the Province, the CEAO also provided the federal Minister of Environment and Climate Change the EAO's assessment report and the First Nations' consent submissions. It is noted in EAO's assessment report that EAO recommended 60 key federal mitigation measures and follow-up programs, related to fish and fish habitat, migratory birds, health and socio-economic conditions for Indigenous peoples, current use of lands for traditional purposes, and cultural heritage and archaeological sites, that could inform federal conditions that could be enforced under the IAA.

## 2.2. First Nations engagement and consultation, dispute resolution, and notifications of consent or lack of consent

As part of making our decision, we carefully considered the perspectives of participating Indigenous nations, as well as the consultation with First Nations carried out by the EAO. We appreciate the extensive efforts made by First Nations, the EAO, and other provincial agencies to identify and resolve issues and concerns and seek consensus on the Assessment Report and proposed conditions. We can see that this work reflects the principle of free, prior and informed consent, consistent with the United Nations Declaration on the Rights of Indigenous Peoples, and the obligations set out in the Act and common law.

We respect the rights of all First Nations in British Columbia to self-governance and to carry out activities in accordance with their Indigenous practices, laws and preferences. Ten Nations participated in the environmental assessment in a variety of ways. We particularly wish to recognize the substantial efforts that the First Nations have put into participating in this environmental assessment; their efforts have contributed to a more robust assessment that considers their knowledge and perspectives.

We have also reviewed the referral material with respect to the EAO's engagement with Gitanyow Hereditary Chiefs and are confident that the engagement process the EAO followed was adequate considering the circumstances.

We acknowledge that, despite significant efforts made by First Nations and EAO during the environmental assessment process, not all concerns have been resolved. We recognize that LNG facilities, along with natural gas pipelines, electrical transmission lines, development at the Port of Prince Rupert, and other development in the area has deeply affected Indigenous communities and ways of life, and that Ksi Lisims LNG will contribute to the cumulative effects on ecosystems and communities in the region. While the scope of our decision relates only to the Ksi Lisims LNG activities, we recognize the history of major projects and other development in the area is important and has been considered in the EAO's assessment of how impacts of Ksi Lisims LNG would contribute to cumulative effects.

At the conclusion of the environmental assessment, we understand that there remain differences in perspectives on whether the project should proceed. The Act requires that, prior to making a decision, we offer to meet with any participating Indigenous nation that provides a notice of non-consent that is contrary to the recommendations from the CEAO. For Ksi Lisims LNG, we offered to meet with each participating Indigenous nation that requested to do so, as well as Nisga'a Nation and Haida Nation.

### 2.2.1. Gitga'at First Nation

We met with Gitga'at First Nation leadership on August 20, 2025, prior to making our decision. We recognize the efforts made by Gitga'at First Nation to conduct an assessment under Section 19(4) of the Act of effects on Gitga'at First Nation and its rights and interests. We understand that Gitga'at First Nation triggered dispute resolution under Section 5 of the Act, which was later withdrawn. We acknowledge their consent to the issuance of a Certificate and appreciate Gitga'at

First Nation articulating their remaining concerns in our August 20, 2025, meeting, including impacts of increased shipping on their Aboriginal rights, cumulative effects of the project on community health and well being, housing for Gitga'at members in Prince Rupert Area, and commitments made by the Province of British Columbia (the Province) outside of the environmental assessment. Our analysis of these concerns in relation to this specific project are detailed below.

### 2.2.2. Gitxaała Nation

We acknowledge that Gitxaała Nation was not able to provide a notice of consent or lack of consent at the time of referral and that the misalignment between Gitxaała's risk and impact assessment process and EAO's environmental assessment process has caused uncertainty for Gitxaała leadership. It is acknowledged that from reviewing the Assessment Report and supporting materials that the effects of LNG shipping on the marine environment and cumulative effects remain concerns for the Gitxaała Nation regarding this project. We met with Gitxaala Nation leadership on August 20, 2025, prior to making our decision and appreciated hearing Gitxaała Nation's views on the environmental assessment process, including that they require a full and complete understanding of steps in the EA process, assessment and mitigated risks of the project prior to offering a consent decision for the Ksi Lisims LNG EA. We understand that EAO worked closely with staff from the Gitxaała Territorial Management Agency as well as the Agency to respond to comments on the Assessment Report and the draft provincial Certificate conditions and draft federal conditions. We are of the view that the provincial and federal conditions strike a reasonable balance between Gitxaała Nation's interests and the EAO's conclusions on the effects from the Project on the Gitxaała Nation and their Aboriginal rights and title. The feedback on the alignment between EA process and Gitxaała Nation decision making processes was important for us to hear and have considered it in this decision.

### 2.2.3. Metlakatla First Nation

We met with Metlakatla First Nation leadership on August 20, 2025, prior to making a decision, and we understand that Metlakatla First Nation does not consent to the issuance of a Certificate. We appreciate the efforts undertaken by Metlakatla First Nation in completing a Rights Impact Assessment, which was included as part of the EAO's Assessment Report. We understand that Metlakatla First Nation participated in a dispute resolution process during the Effects Assessment phase of the EA and appreciate the tremendous efforts put into this process by Metlakatla First Nation in an attempt to resolve Metlakatla First Nation's remaining concerns. We also understand that Metlakatla First Nation requested to initiate dispute resolution a second time where the delegated decision maker at the EAO decided it would not be reasonable to appoint a facilitator given the circumstances.

Having reviewed the materials including the Assessment Report and the Facilitator's Report on dispute resolution between Metlakatla First Nation and the EAO, we believe that the EAO's consultation with Metlakatla First Nation was adequate and carried out in good faith. We have also considered additional correspondence between Metlakatla First Nation and the EAO, including a most recent letter from EAO dated September 11, 2025, and a response from Metlakatla dated September 12, 2025. We are of the view that the EAO has provided reasonable and substantive responses to Metlakatla First Nation's concerns and proposed conditions. Where Metlakatla First Nation's requests and recommendations have not been adopted, the EAO has provided a clear rationale.

We understand that Metlakatla First Nation continues to have concerns including in relation to the Project's sustainability and financial feasibility, potential effects of the Project on GHG emissions and climate change if the Project is not electrified by the start of operations, and the marine shipping route and related cumulative effects. We have outlined some specific considerations in relation to these concerns in Section 2.3 of these reasons. We have considered the EAO's recommended key federal mitigation measures and included conditions in the Certificate that we believe strike a reasonable balance between Metlakatla's interests and the EAO's conclusions on the effects from the Project on Metlakatla and their Aboriginal rights and title.

We recognize that Metlakatla First Nation and the Province do not agree about the ethnohistory around the Ksi Lisims LNG facility and Mylor Peninsula, which has made it challenging to reach consensus on the effects of Ksi Lisims LNG on Metlakatla's Aboriginal rights and title and related mitigation measures. We have considered the additional information Metlakatla recently provided respecting their claims of Aboriginal rights and title to the Mylor Peninsula, as well as the Province's analysis of that information, and we understand that Metlakatla First Nation will continue to be consulted on the Project as it proceeds, including through requirements in the Certificate, such as the consultation required under Condition 20 in respect of the transmission line development report, and subsequent permitting.

We understand that Metlakatla continues to be of the view that we have not met the requirement under Section 29(6)(b) of the Act to meet with them in an attempt to achieve consensus on our decision. We consider that requirement to have been met by our attendance in the August 20 meeting and that our attempt to achieve consensus in that meeting is reflected by our subsequent efforts, which involved extending the 30-day timeline for our decision, to share our considerations in writing, to allow time for Metlakatla to respond and for us to consider Metlakatla's response provided on September 12, 2025. We acknowledge the importance of seeking consensus with Metlakatla and unfortunately, despite the extensive efforts to seek consensus throughout this four-year environmental assessment process, we have not reached a consensus on this decision. However, it is our view that the potential adverse effects on Metlakatla's Aboriginal rights and title from the Project have been appropriately avoided, minimized or otherwise accommodated.

### 2.2.4. Kitsumkalum First Nation

We met with Kitsumkalum First Nation leadership on August 20, 2025, prior to making a decision, and appreciated hearing their views and perspectives on the Project. Based on our review of the Assessment Report and supporting materials and from meeting with Kitsumkalum First Nation we understand there are ongoing concerns about the potential cumulative effects of Ksi Lisims LNG on Highway 113, which travels through Kitsumkalum proposed Treaty Settlement Lands, in consideration of the other major projects that would simultaneously be going through construction. We understand that Kitsumkalum First Nation has concerns regarding socio-economic cumulative effects of Ksi Lisims LNG and other major projects in the region, and the potential effects to Kitsumkalum First Nation members fishing in Portland Canal for commercial, food and ceremonial purposes.

We understand Kitsumkalum First Nation is also concerned about the proposed transmission line and the required substation for electrifying the Project traveling through Kitsumkalum First Nation proposed Treaty Settlement Lands and areas for co-management negotiations under the proposed Treaty. From our meeting with Kitsumkalum First Nation on August 20, 2025, we understand that they continue to have concerns related to GHG emissions and the proposed strategies to offset the GHG emissions provided by Ksi Lisims LNG. In a letter received on August 21, 2025, Kitsumkalum First Nation reiterated their concern with the Net-Zero Ready Policy clarification, use of offsetting to achieve net-zero and uncertainties around the sufficiency of offset credits, and the feasibility of carbon capture and sequestration technology.

We understand from the Assessment Report that the Proponent's net-zero plan was reviewed during the environmental assessment, and that it is considered credible. We agree with this conclusion based on our review of the analysis contained within the Assessment Report and the proposed conditions; these both contribute to the Project meeting the Province's Net Zero policy. We also understand that discussions between Kitsumkalum First Nation, B.C. Hydro and the Province are underway regarding the development of transmission line infrastructure that will supply the necessary electrical capacity to the region to support local communities and economic development including Ksi Lisims LNG. We understand that EAO worked closely with Kitsumkalum First Nation as well as the Agency to respond to comments on the Assessment Report and the draft provincial Certificate conditions and draft federal conditions. We are of the view that the provincial and federal conditions strike a reasonable balance between Kitsumkalum First Nation's interests and the EAO's conclusions on the effects from the Project on Kitsumkalum First Nation and their Aboriginal rights and title.

### 2.2.5. Kitselas First Nation

We recognize the effort from Kitselas First Nation on conducting an assessment under Section 19(4) of the Act of effects on Kitselas First Nation and its rights and interests. We acknowledge Kitselas First Nation consents to the Project. We also understand that Kitselas has remaining concerns that cumulative effects across the region have been underestimated, and that this Project may catalyze further industrial development and a substantial increase in marine traffic outside the currently established hubs of Prince Rupert and Kitimat. We understand that Kitselas First Nation is finding it essential to continually reassess the capacity of the region for future developments. Kitselas First Nation did not request a meeting with us; however, we have considered concerns and comments brought forward by Kitselas First Nation in our decision and have set out some related analysis below.

### 2.2.6. Lax Kw'alaams Band

We met with Lax Kw'alaams Band leadership prior to making a decision and we understand that Lax Kw'alaams Band does not consent to the issuance of a Certificate to the Ksi Lisims LNG Project. We understand that Lax Kw'alaams Band and the EAO worked collaboratively on drafting the Lax Kw'alaams Band assessment chapter. We understand that Lax Kw'alaams has participated in two dispute resolution processes during this EA, and we appreciate the tremendous efforts put into this process by Lax Kw'alaams Band in an attempt to resolve remaining issues. We are aware that Lax Kw'alaams Band requested to initiate dispute resolution a third time, in relation to the referral by the CEAO under Section 29(1) of the Act, and that the delegated decision maker at the EAO decided it would not be reasonable to appoint a facilitator given the circumstances.

Lax Kw'alaams also sought to initiate dispute resolution a fourth time, in relation to this decision under Section 29(4) of the Act. We have considered the Act, its supporting documentation and Lax Kw'alaams' submissions on this issue and are of the view that the Legislature did not intend to allow for dispute resolution under Section 5 of the Act at this stage. Instead, Section 29(5) of the Act provides circumstances under which the Ministers must offer to meet with a participating Indigenous nation prior to making a decision in an attempt to achieve consensus with the nation on the pending decision. Further, Section 5 of the Act does not indicate that that dispute resolution is available in respect of the decision under subsection 29(4) specifically. Section 5(3) of the Act specifically provides that "On completion of a facilitation, a dispute resolution facilitator must provide a report to the participants and to the applicable of the chief executive assessment officer or the minister" rather than referring to the "ministers" (plural) as would be appropriate if dispute resolution was available in respect of subsection 29(4).

Having reviewed the materials including the Assessment Report and the Facilitator's Reports on dispute resolution, we believe that the EAO's consultation with Lax Kw'alaams Band was adequate and carried out in good faith. We considered additional correspondence between Lax Kw'alaams and the EAO and are of the view that the EAO has provided a reasonable and substantive response to Lax Kw'alaams Band's concerns. Where Lax Kw'alaams Band's requests and recommendations have not been adopted, the EAO has provided a clear rationale.

We understand from meeting with Lax Kw'alaams Band on August 19, 2025, and August 27, 2025, that Lax Kw'alaams Band continues to have concerns related to the issuance of a Certificate, including the Project's sustainability and economic feasibility; potential greenhouse-gas emissions and climate impacts if the Project is not connected to the BC Hydro grid at the commencement of operations; potential adverse effects on Lax Kw'alaams Band's Aboriginal rights and title, including fishing and marine harvesting of species such as eulachon; cumulative effects; and the prospect of prolonged reliance on power barges and its implications for the Province's ability to meet its GHG emissions targets. We have outlined some specific considerations in relation to these concerns in Section 2.3 of these reasons.

We recognize that Lax Kw'alaams Band and the Province do not agree about the ethnohistory around the Ksi Lisims LNG facility and Mylor Peninsula, which has made it challenging to reach consensus on the effects of the Project on

Lax Kw'alaams' Aboriginal rights and title and related mitigation measures. We note, however, that Lax Kw'alaams will continue to be consulted through requirements in the Certificate and subsequent permitting.

We have considered the EAO's recommended key federal mitigation measures and included conditions in the Certificate that we believe strike a reasonable balance between Lax Kw'alaams' interests and the EAO's conclusions on the effects from the Project on Lax Kw'alaams' and their Aboriginal rights and title.

We understand that Lax Kw'alaams is of the view that we have not met the requirement under Section 29(6)(b) of the Act to attend a meeting in an attempt to achieve consensus on our decision. We consider that requirement to have been met by our attendance in the meetings on August 19 and 27, 2025, meetings and that our attempt to achieve consensus in those meetings is reflected by our subsequent efforts, which involved extending the 30-day timeline for our decision, to share our considerations in writing and allow time for Lax Kw'alaams to respond. We acknowledge the importance of seeking consensus with Lax Kw'alaams and unfortunately, despite the extensive efforts to seek consensus throughout this four-year environmental assessment process, we have not reached a consensus on this decision. However, it is our view that the potential adverse effects on Lax Kw'alaams' Aboriginal rights and title from the Project have been appropriately avoided, minimized or otherwise accommodated.

### 2.2.7. Haida Nation

We understand that Haida Nation chose not to be a participating Indigenous Nation; however, the EAO consulted with the nation on effects of marine shipping in their territory. We appreciate the time and effort from Haida Nation in providing input to the EAO and review of the assessment chapter. We acknowledge that Haida Nation does not consent to the project and continues to have concerns regarding the increased marine shipping traffic in their territorial waters. We met with Haida Nation leadership on August 21, 2025, to understand these concerns better.

We acknowledge that Haida Nation has concerns regarding increased marine shipping traffic, cumulative effects of marine shipping, the assessment of alternative shipping routes, and climate change. We recognize that Haida Nation's concerns are mostly matters in respect of which the federal government has primary regulatory jurisdiction and we have considered the EAO's recommended key federal mitigation measures and included conditions in the Certificate that we believe strike a reasonable balance in addressing these concerns.

### 2.2.8. Nisga'a Nation

We understand that Nisga'a Nation, represented by the Nisga'a Lisims Government (NLG), co-developed the proposed Project and we appreciate working with NLG as a treaty partner. We understand that Nisga'a Nation chose not to be a participating Indigenous Nation and the EAO conducted the assessment of effects on Nisga'a in a manner that meets the Province's obligations under the Nisga'a Treaty. We appreciate the effort from Nisga'a Nation in providing input to the EAO for drafting the Nisga'a Nation assessment chapter.

We met with Nisga'a Nation leadership on August 22, 2025, and acknowledge the support from Nisga'a Nation for the Project. We recognize that Nisga'a Nation sees the Ksi Lisims LNG project as a manifestation of the Nisga'a Nation's long-term vision for sustainable economic development, rooted in environmental stewardship, reconciliation, and treaty rights. The Nisga'a Nation views the project as the culmination of a decade of work to create prosperity and contribute to global climate goals through a net-zero LNG initiative, while maintaining respectful relationships with neighbouring First Nations.

### 2.2.9. Conclusion and Ongoing Engagement and Collaboration with First Nations

We want to thank the leadership of all the First Nations for taking the time to meet with us to share ongoing concerns on behalf of their communities and their perspectives on Ksi Lisims LNG and the environmental assessment process. Collectively, we heard concerns about matters that, although related to the project, rely on ongoing and future dialogue between First Nations, the Province and in some cases the Government of Canada, in particular these matters relate to climate change, cumulative effects, marine shipping and how the region is affected by major projects. Subsequently, we

have carefully considered EAO's analysis, the Certificate conditions and recommendations to the federal government, including to engage First Nations on matters related to cumulative effects of marine shipping, potential alternative route(s) and increased vessel services as part of our decision making.

We appreciate the challenges First Nations face when making decisions on major projects such as Ksi Lisims LNG, and we are committed to continuing to work collaboratively on Ksi Lisims LNG and other projects in the region. We received input from First Nations regarding concerns with our legislation, processes, and policies and we welcome further consultation with, and input from, these nations as the EA Act is reviewed in the year ahead. We look forward to hearing how those discussions advance.

## 2.3. Adverse Effects and Mitigation Measures

We note that Ksi Lisims LNG will be a new LNG facility and many of the key issues identified by the EA relate to marine use and resources, project electrification and GHG emissions, impacts to regional communities, and sustainability.

Having reviewed the materials provided by the CEAO and having had the opportunity to meet with involved First Nations, we view the conditions proposed by the EAO as comprehensive and appropriate for Ksi Lisims LNG. While we are satisfied with EAO's assessment of the potential effects of the Project, we gave serious consideration to the issues raised in the EA and by the First Nations we met with. Our considerations on these topics follow.

### 2.3.1. Marine Use and Resources

We note that the Project would bring approximately an additional 140 to 160 LNG carriers and 8-12 natural gas liquid (NGL) product carriers annually to the marine waters transected by the proposed shipping route. We understand that First Nations and technical advisors during the EA identified that the marine shipping activities have the potential to affect traditional, commercial, industrial, and recreational users on the water. As EAO identified in the Assessment Report and as we heard in our meetings with First Nations, the marine shipping activities may potentially affect how each First Nation accesses and experiences the marine environment either through affecting access to culturally important and preferred harvesting sites, interference with fishing, increased noise and visual disturbance or decreased safe use of the marine environment. It is understood that the proposed shipping route overlaps with an area that is already experiencing existing marine traffic associated with the Port of Prince Rupert, and this has raised concerns about potential cumulative effects on marine users and resources.

We learned from EAO and the First Nations we met with that an alternative shipping route remains a key issue. We understand that during the EA, EAO formed a marine shipping technical sub-committee comprised of First Nations and technical experts from the federal government to advise on the assessment of the proposed route. Many First Nations view that their concerns related to cumulative effects from marine shipping could be partially addressed by the use of an alternate route that transits north of Dundas Island and avoids the Port of Prince Rupert area, as well as potentially staying further north of Haida Gwaii. We understand that this is a matter in respect of which the federal government has primary regulatory jurisdiction, and we support the EAO's recommendations to the Government of Canada to engage with First Nations on the viability of an alternative shipping route, as described below.

Additionally, we understand that the Project and associated marine shipping activities would occur in federally designated areas of importance for fish, invertebrates, marine mammals, including northern resident killer whales. From reviewing materials provided by the CEAO we note that First Nations and technical advisors identified the construction and operation of the LNG facility has the potential to disturb marine fish and invertebrates such as eulachon and Dungeness crab. Changes to water quality, increased underwater noise and habitat loss from the Project were key examples of how the LNG facility has the potential to affect the marine environment.

To address these concerns, the EAO, through consultation with First Nations, technical advisors and the Agency, proposed:

- Condition 9 (Construction Environmental Management Plan), requiring the Proponents to mitigate the effects of underwater noise on marine mammals and fish by preparing and implementing a marine underwater noise monitoring and management plan that will be approved by the EAO;
- Certificate Condition 13 (Marine Transportation and Communication Plan) requiring the Proponents to address effective communication of marine activities; and,
- Certificate Condition 21 (Regional cumulative Effects Initiatives) requiring the Proponents to participate in relevant federal and provincial initiatives related to effects of marine shipping in the region.

To further address the effects of increased marine use on marine users and marine navigation, the EAO recommended key federal mitigation measures to the Agency that could inform federal conditions regarding:

- Marine navigation impacts for LNG carriers and NGL (Condensate) product vessel transiting the marine shipping route;
- Communication planning related to marine access near the project site;
- Verification of vessel wake effects; and,
- Requiring the Proponents to update shipping route information for the project if directed to by the Federal government.

We agree with the EAO's analysis that neither the Ksi Lisims LNG facility nor marine shipping activities would have significant adverse residual effects or cumulative effects on marine use and resources and we are satisfied that the Certificate Conditions, the recommended key federal mitigation measures and existing regulatory requirements are practical and reasonable means to prevent or reduce these adverse effects.

Further, we support the recommendations that the EAO made to the Government of Canada on matters respecting marine shipping and will be following up directly with the responsible Federal Ministers on these recommendations given they relate to matters in respect of which the federal government has primary regulatory jurisdiction. The recommendations were made in response to concerns raised by First Nations and included the following:

1. The EAO recommends that, prior to Ksi Lisims LNG operations, the Government of Canada engage Indigenous groups to seek to identify any additional means beyond the proposed provincial and federal conditions to avoid or otherwise mitigate impacts to traditional harvesting activities and marine resources resulting from cumulative marine shipping activities.
2. The EAO recommends that Transport Canada engage with Indigenous groups to determine the viability of alternative route(s) for ships transiting to and from the Portland Inlet, and if a route is deemed to be viable, consider implementing vessel routing measures for the safe passage of ships along this route.
3. The EAO recommends that Vessel Traffic Services and Marine Communications and Traffic Services to Portland Inlet are expanded in consideration of the increased marine traffic associated with the project.

We have considered EAO's analysis of the marine shipping components of Ksi Lisims LNG and their associated potential effects. This analysis was informed by consultation with First Nations. We have also considered the Certificate conditions referred to in this section of our reasons and the key federal mitigation measures that the EAO has recommended. Taking all of these into account, we are of the view that provincial interests as they relate to the marine shipping aspects of Ksi Lisims LNG have been appropriately addressed.

### 2.3.2. Electrification and GHG Emissions

We understand that GHG emissions from Ksi Lisims LNG were assessed under two scenarios: a Base Case scenario for if sufficient electricity from a transmission line is available at the start of Operations; and an Alternative Case for if the

electricity needed for operations is generated from natural gas-fired power barges until which time the project is connected to the BC Hydro grid. The assessment of GHG emissions met the standards set under the provincial Net-Zero New Industry Policy and *net-zero requirements* for LNG projects in the EA process, including a requirement for the Project to have a credible plan to be net-zero-ready by 2030. The requirement for an LNG project to be net-zero ready means that Proponents must demonstrate through a credible plan how their project would achieve net-zero GHG emissions by 2030 unless it is not reasonably possible, due to circumstances beyond their control, for the project to be served by grid electricity by 2030.

We note that the EAO worked closely with the Ministry of Energy and Climate Solutions – Climate Action Secretariat (CAS) on the review of the plan submitted by Ksi Lisims LNG to be net-zero ready by 2030. The EAO identified that the Alternative Case for the project is the most likely scenario for when Ksi Lisims LNG would start operations and concluded with advice from CAS that the Proponent's plan is considered as net-zero ready under the Net Zero New Industry Policy. We accept EAO's conclusion on the Project meeting the provincial net-zero requirements.

We heard in our meetings with First Nations concerns about the Project's use of the power barges and resulting GHG emissions that would contribute to climate change. We heard concerns that climate change is already having an impact on First Nations' Section 35 rights and that the GHG emissions from the project would further contribute to these impacts. We also heard concerns about the Province not meeting GHG targets and about the lack of GHG offsetting requirements for Ksi Lisims LNG. We acknowledge there is tension between the development of the LNG sector in B.C. and achieving the Province's climate goals. In response to concerns about GHG emissions from Ksi Lisims LNG, we note that, at a provincial scale, an independent review of CleanBC is underway to evaluate which policies are effectively reducing emissions and to learn what's working well, what could be better, and what more can be done.

While the Certificate will not authorize a future transmission line required to supply the Project with electricity, we understand that as part of the environmental assessment, the EAO, in response to concerns from First Nations about the potential effects of the transmission line, assessed a portion of the yet-to-be-determined transmission line route that could be located between Nisga'a Lands and Ksi Lisims LNG. We noted that EAO concluded that the construction and operation of the transmission line within that area would not result in any significant adverse effects. We acknowledge EAO consulted all participating Indigenous nations deeply on this aspect of the EA and this informed the development of Certificate Condition 20 which requires collection of baseline information related to environmental conditions and archaeological sites that would support future permitting of the transmission line. Further, we note that, in response to concerns raised during the dispute resolution process with Metlakatla, the EAO updated Condition 20 to require that an Archaeological Impact Assessment be conducted for this portion of the transmission line in consultation with the Nisga'a Nation and First Nations, including Metlakatla.

We understand that the issue of when Ksi Lisims LNG will be electrified is an important matter for First Nations and a key step for reducing the GHG emissions from the Project. We understand that the Province is responding to the increased demand from industry for clean energy, including projects such as Ksi Lisims LNG. This is happening through the development of the North Coast Transmission Line (NCTL) as well as the Province partnering with BC Hydro on the Clean Power Action Plan to leverage B.C.'s clean-electricity potential including calls for power to increase electricity generation and partnering with First Nations on renewable energy projects. The Proponents have stated publicly and in the Application that they intend to electrify the Project, and the Province and BC Hydro have made publicly stated commitments to expediting the development of the NCTL. We understand that the NCTL is currently forecasted to supply increased electricity capacity to the region by 2032. The Certificate also includes conditions requiring the project to discontinue use of the natural gas power barges once power is available and supplied from the BC Hydro grid. Taking all of this into account, it is our view that there is low risk of long-term use of natural gas power barges.

We have considered the materials provided by the CEAO and the concerns we heard from First Nations, and we agree with EAO's analysis that, should the project rely on the use of the natural gas-fired power barges for operations, it would adversely impact the Province's ability to meet its 2030 emissions targets and result in potentially significant adverse

effects on GHG emissions, until the project is electrified and no longer requires the power barges. While we acknowledge this impact on the Province's ability to meet its 2030 emissions targets, we understand from the Proponent's Application that once Ksi Lisims LNG is connected to the BC Hydro grid, it will produce some of the lowest GHG emissions intensity LNG in the world and provide new export opportunities to global markets looking for low-carbon LNG.

In addition to the broader work that the Province is advancing related to increasing electricity capacity and climate change policies, we believe the Certificate conditions that EAO developed in response the project-specific concerns, including Condition 12 (Greenhouse Gas Emissions and the Net-Zero Plan) and Condition 19 (Project Electrification) to address electrification of Ksi Lisims LNG and its GHG emissions, along with the Province's commitments to advancing the NCTL and the Project's electrified GHG intensity in relation to other global projects, adequately address concerns raised regarding the Project.

### 2.3.3. Community Health and Wellness

Ksi Lisims LNG is located in the northwest region of B.C. where existing resource-based industries form the basis of local economies that support communities such as Terrace and Prince Rupert. EAO's assessment of the Project considered the cumulative effects of Ksi Lisims LNG's construction and operation activities with other major projects in the region that could affect local communities. The EAO assessed the cumulative effects of the influx of the Ksi Lisims LNG workforce on key issues including housing availability, community safety, substance abuse and increased demands on regional health and medical infrastructure and services.

The EAO assessment took into account 22 existing and reasonably foreseeable projects that had the potential to interact cumulatively with Ksi Lisims LNG as well as other regional industries such as forestry, fishing and marine shipping. The EA determined that the projects that are most likely to interact cumulatively with Ksi Lisims LNG's effects on community health and wellness are those projects for which the labour forces would be in the region at the same time that Ksi Lisims LNG's workforce would be present. This overlap in workforces would increase the region's population and traffic; as well as increase competition for housing, infrastructure, services (including health services), recreation and harvesting areas.

We note that the Assessment Report identifies that the projects anticipated to overlap with the construction of Ksi Lisims LNG include construction of the hydroelectric line that will supply power to Ksi Lisims LNG, construction of the Prince Rupert Gas Transmission (PRGT) project, BC Hydro's upgrades to the region's electric transmission infrastructure, and operation of LNG Canada. Ksi Lisims LNG's operations phase is anticipated to also overlap with the construction and operation of other major projects in the region such as Cedar LNG.

We heard in our meetings with First Nations that they have concerns related to the cumulative effects from the Project on communities where their members live such as Prince Rupert and Terrace. First Nations shared with us concerns about community safety, human trafficking and sexual exploitation, lack of affordable housing and housing availability as well as inadequate access to health and emergency services. We understand from the Assessment Report that access to affordable housing is serious issue in the region. We also learned from meetings with First Nations that rental prices have increased over time due to the influx of construction workers from major projects with more disposable income, thereby contributing to an increase in homelessness for community members who struggle to find secure housing. First Nations also shared with us concerns that local community infrastructure, such as roads and hospitals, are also being affected by an increase in construction populations associated with major industrial projects.

We agree with EAO's conclusion that Ksi Lisims LNG would have significant cumulative effects on community health and wellness. Additionally, we agree that the Certificate conditions EAO has proposed will appropriately address Project effects on community health and wellness, including requirements for on-site project medical services, worker accommodation, and socio-economic planning with local governments and First Nations. EAO's conditions include Condition 17 (Socioeconomic Management Plan), Condition 16 (Worker Health and Wellness), Condition 11 (Community Feedback Process), Condition 15 (Gender and Cultural Safety Plan), and Condition 14 (Health and Medical Services Plan).

To further address the effects on community health and wellness, the EAO recommended key mitigation measures to the Agency that could inform federal conditions regarding:

- Health and medical services;
- Substance abuse; and,
- Workers code of conduct related to gender and cultural awareness.

We acknowledge that major project development in B.C. can result in changes to communities and services the public rely on. We note that the northwest region of B.C. is fast-growing and presents opportunities for continued growth. As such we will continue to support the partnership between the Province and 21 regional communities under the Northwest BC Resource Benefits Alliance (RBA). Established in 2024, the RBA provides $250 million over five years to support communities build sustainable infrastructure and delivery of public services in a region impacted by major projects such as Ksi Lisims LNG.

The Province believes that economic development should not come at a cost to our communities or the delivery of the services that the people of B.C. rely on. When considering EAO's analysis of the Ksi Lisims LNG project, which was informed by consultation with First Nations, it is our view that the Certificate conditions will adequately reduce the effects of the Project on local communities.

### 2.3.4. Sustainability

Under the Act, the EAO must evaluate whether Ksi Lisims LNG is consistent with the promotion of sustainability by protecting the environment and fostering a sound economy and the well-being of British Columbians and their communities. This was done by EAO assessing environmental, economic, social, cultural and health effects of the Project, considering government policy, consulting with First Nations and engaging with the public. The results of these process steps led to development of legally binding conditions and an analysis of a Project's contribution to sustainability that considered views of technical experts, the public and First Nations.

EAO's recommendation on the Project's contribution to sustainability is presented the Assessment Report and was subject to public comment and consultation with First Nations. We agree with EAO's conclusions that:

- Certificate conditions, subsequent permitting processes and federal authorizations would minimize adverse effects on the environment;
- Ksi Lisims LNG would foster a sound economy by providing continuing and new employment, contracting, and training opportunities, by generating higher wages in the region, and by contributing financial support to First Nations and taking steps towards the goal of economic reconciliation with Nisga'a Nation;
- While Ksi Lisims LNG would have potential negative effects on the region's infrastructure including the already strained medical infrastructure, it would also contribute to the well-being of British Columbians and their communities, including First Nations communities, by managing the socio-economic effects of the Project and by ensuring Nisga'a Nation's and First Nations' perspectives and interests are integrated in construction, operation and decommissioning of the facility; and,
- Under the Alternative Case scenario, GHG emissions from the natural gas power barges would not contribute to the promotion of sustainability.

When we met with First Nations, we heard concerns about the Project's contribution to sustainability, due to GHG emissions from the use of the natural gas-fired power barges and concerns about the Project's economic viability. Our views on the GHG emissions and project electrification are provided above.

With respect to economic viability, the Metlakatla and Lax Kw'alaams made submissions during the assessment concerning, amongst other things, rising capital costs of the Project and a potential oversupply in the global LNG market. In this regard, Metlakatla and Lax Kw'alaams' submitted a report produced by the Institute for Energy Economics and Financial Analysis entitled "The Ksi Lisims LNG Project and the Broader Canadian LNG Sector Face Strategic Challenges: An IEEFA Assessment", which was provided to us. It is of course difficult to predict with complete certainty the long-term economic viability of any project, as that is always subject to future changes in market conditions and technology, amongst other things. With respect to the Project, the information we have been provided does not disclose any clear evidence that it will not be viable in the long term. Therefore, in making our decision we have not accorded significant weight to this issue. In addition, we note that the Proponents bear the financial risk that the Project will ultimately not be economically viable.

We believe that EAO's assessment of the effects of the Project on employment and economy provided sufficient analysis to support our decision making and consideration of the Project's contribution to sustainability.

Based on our review of the Assessment Report and supporting materials, and the reasons provided in this document, it is our view that, overall, Ksi Lisims LNG is consistent with the promotion of sustainability as the Project must be built and operated in a manner that meets the legally binding Certificate conditions and it would generate employment opportunities and local economic generation that supports capacity building in local communities.

### 2.4. Benefits to the Province, Local Communities and First Nations

We considered that, as a new LNG facility, the Project would provide benefits to communities, the Nisga'a Nation, First Nations, and other British Columbians through regional employment and economic investment. During the three to four years of construction, Ksi Lisims LNG is expected to employ an average of 400 to 450 individuals, reaching a peak of approximately 800 for roughly one year. Following commissioning, Ksi Lisims LNG is expected to have a permanent workforce of between 150 and 250 workers on site for a minimum of 30 years. These new jobs will have positive knock-on effects in the surrounding communities and the whole province.

Ksi Lisims LNG would constitute economic reconciliation and an exercise of self-determination for Nisga'a Nation with direct and indirect economic development opportunities including training, education, employment and contracting opportunities. The Project and its supporting infrastructure would also provide direct and indirect economic opportunities for First Nations in the region and for British Columbia. We understand the Proponents are committed to hiring local, regional and Indigenous workers, and to developing training aimed at promoting inclusivity, a respectful workplace, and cultural awareness. Additionally, the Project also has the potential to provide economic diversification as well as tax revenue that would help support Indigenous, provincial and federal objectives to improve environmental stewardship, health, education, transportation, infrastructure and other social benefits. We understand that the Proponents have committed to address effects in infrastructure and services by providing emergency services, use of floating accommodation to house construction workers, and wastewater management measures.

## 3.0 CONCLUSION

Having considered all materials provided by the CEAO and after meeting with First Nations that may be affected by Ksi Lisims LNG, we have decided to issue a Certificate for it.

The Certified Project Description, which forms part of the Certificate, limits what the holder of the Certificate is authorized to do with respect to the Project. The Certificate also includes conditions that the holder must abide by. These aspects of the Certificate, in the context of the other regulatory measures set out in the *Joint Permitting Regulatory Coordination Plan* referred to in Section 2.1 above, give us the confidence to conclude that Ksi Lisims LNG will be carried out such that no significant adverse effects are likely to occur with the exception of effects on the Province's ability to meet its GHG

emissions targets from the use of the natural gas-fired power barges and the contribution to cumulative effects on community health and wellness.

We express our gratitude to everyone who participated in the environmental assessment for their contribution and engagement in the process, including the public, technical advisors, and First Nations leadership and staff. Finally, we would like to thank the EAO for all their work throughout the assessment

Honourable Tamara Davidson
Minister of Environment and Parks

Honourable Adrian Dix
Minister of Energy and Climate Solutions

Signed this 15 day of September, 2025.