

Appendix II

Via Email

March 4, 2016



Catherine Ponsford
Project Manager
Canadian Environmental Assessment Agency
Pacific and Yukon Regional Office
410-701 Georgia Street West
Vancouver, BC V7Y 1C6

Dear Catherine:

Subject: Pacific NorthWest LNG - Section 6.2, GHG Emissions Assessment in the Draft Canadian Environmental Assessment Agency (the Agency) Draft Environmental Assessment Report – February 10, 2016

Please consider this submission the Pacific NorthWest LNG (PNW) general comment on Section 6.2 of the Draft EA report. PNWLNG has considered the Agency's characterization and analysis of the Greenhouse gas (GHG) emission effects attributed to PNW and provide the following points for the Agency's additional consideration.

Point 1: Page 34, paragraph 3: *The proponent provided a more accurate estimate of upstream greenhouse gas emissions of 5 million tonnes CO₂e per year based on...*

PNW: In our letter to CEAA dated February 2, 2016 PNW advised that its estimate of GHG emissions from upstream sources supporting the Project at build out was **less than** 5 Mt per year of CO₂e. That estimate was comprised of a 2014 estimate of upstream GHG emissions audited by Environmental Services Inc. and submitted to the BC Ministry of Environment, an extrapolation of that estimate to the volume of gas required to support the Project at full build out by Clearstone Engineering, and estimates provided by TransCanada Pipelines using their published methodologies. These supporting documents are available to Environment and Climate Change Canada upon request.

Point 2: Page 37, paragraph 2: *Further, as part of the Government of Canada's interim approach for environmental assessments announced on January 27, 2016, Environment and Climate Change Canada provided an assessment of the upstream greenhouse gas emissions associated with the Project.*

PNW: Upstream components and activities did not form part of the Project Scope for the Designated Project and therefore were not part of the Scope of Factors to be considered in the environmental assessment.

Pursuant to ss. 19(2) of CEAA, 2012 the Agency determined the Scope of Factors to be taken into account for the Project by issuing “Guidelines for the Preparation of an Environmental Impact Statement for an Environmental Assessment Conducted Pursuant to the Canadian Environmental Assessment Act, 2012 for the Pacific NorthWest LNG Project” dated October 30, 2013 (“Scoping Document”). The Scoping Document was finalized following a public comment process.

Point 3: Page 39, paragraph 1: *The Agency notes that effects of greenhouse gases from the Project in a particular location cannot be measured; however, the geographic extent of the environmental effects is global due to the cumulative nature of greenhouse gas emissions and their contribution to climate change at the global level. The burning of natural gas has the potential to reduce greenhouse gas emissions internationally if it replaces the burning of coal and diesel; however, this type of analysis is beyond the scope of the EA for the Project.*

PNW: Upstream emissions were beyond the scope of the EA for the Project, but in response to a new interim approach directed for energy project environmental assessments, the Agency assessed upstream GHG emissions in relation to the Project. Likewise, the Agency went beyond the spatial scope of the environmental assessment to effectively conclude that there were likely to be adverse cumulative environmental effects from PNW’s upstream and plant GHG emissions on a global basis. This conclusion was only made possible by not taking into account the evidence that the Project would displace more GHG emissions globally than it would produce, and therefore have a net positive impact on global GHG emission levels. It is understood that Canada has never succeeded in negotiating credit for global reductions occurring by displacement, but this is an economic and political matter. It should not affect the conclusions of an environmental assessment that must be based on law and science.

Point 4: Page 39, paragraph 3: *The Agency concludes that the Project is likely to cause significant adverse environmental effects as a result of greenhouse gas emissions after taking into consideration the implementation of best achievable technology and management practices and compliance with the B.C. Greenhouse Gas Industrial Reporting and Control Act.*

PNW: It is our view that this conclusion cannot be sustained based on the methodology for the Project established by the Scoping Document and the findings of fact that were made as part of the assessment. This conclusion is not a cumulative effects finding, but purports to be a finding made regarding Project effects.

There is a critical distinction between the two. Section 12.2 of the Scoping Document requires the assessment methodology conform to the Agency’s Operational Policy Statement Assessing Cumulative Effects under the Canadian Environmental Assessment Act, 2012. Project environmental effects must be assessed in isolation from effects caused by existing and future activities, other than those associated with the Project.

The relevant effects are those which occur within the spatial boundaries prescribed for the Project which are set out at section 11.1 of the draft Environmental Impact Statement (EIS). However, Project GHG emissions were assessed as having no measurable effects either inside or outside the spatial boundaries established for the Project.

This conclusion accords with common sense. It would not be reasonable to find that the Project's GHG emissions considered in isolation would be likely to cause significant adverse environmental effects locally, regionally or globally. The draft EIA finds that the nature of GHG emissions is such that their effects are cumulative, with climate change occurring at a global level. These findings are incapable of supporting the conclusion that the Project will likely cause significant adverse environmental effects as the result of its GHG emissions.

PNW appreciates the opportunity to comment on Section 6.2 of the Agency's draft Environmental Assessment Report.

Sincerely,
<Original signed by>

Mike Lambert
Head, Environmental and Regulatory Affairs
Pacific NorthWest LNG