

Canaport LNG Project

Canaport Community Environmental Liaison Committee (CCELC)

Minutes of Meeting CCELC # 69
Monday, 5 December 2011
Red Head United Church Hall, Saint John, NB
Meeting 6:05 pm – 8:10 pm
APPROVED

Committee Present:

- Armstrong, Carol Resident
- Dalzell, Gordon SJ Citizens Coalition for Clean Air
- Forsythe, Fraser Co-Chair (Canaport LNG)
- Garnett, Vern SJ Citizens Coalition for Clean Air
- Johnston, Jan Resident
- McNeill, Pam Resident
- Smith, Elsie Resident
- Thompson, David H. Fundy Baykeeper

Committee Absent:

- Brown, Alice Resident
- Court, Ivan Mayor of Saint John
- Debly, Teresa Resident
- Hunter, Roger Resident
- Kumar, Hemant Enterprise Saint John
- Perry, Yvonne Member
- Thompson, David Member
- Turner, Rick Saint John Board of Trade

Resources:

- Caines, Crystal Fundy Engineering
- Norton, Erin Fundy Engineering
- O'Brien, Kevin City of Saint John
- Peterson, David Department of the Environment

Observers: (none)

(1) OPENING REMARKS:

The meeting commenced at 6:05 pm with Fraser Forsythe welcoming everyone. The agenda was approved.

Review & Approval of Minutes from Meeting #68 Sept 13/2011

The minutes of meeting # 68 on 13 September 2011 were reviewed, and approved with no revisions. The minutes were accepted by Vern Garnett, seconded by Pam McNeil.

Gordon Dalzell notified the committee that the Public Participation Report is available online at the Department of Environment's website for those who wish to review comments / questions made relating to the Alternate Crude Oil Pipeline Project, and requested copies be made available.

Anyone wishing to obtain a copy of the Public Participation Report should contact Crystal Caines of Fundy Engineering at 635-1566, or via email at crystal.caines@fundyeng.com.

(2) ACTION ITEMS FROM 13 SEPTEMBER 2011 MEETING:

68-1: Fundy Engineering to summarize the Terminal's yearly monitoring & emissions data to post onto Canaport LNG's website

A report is being prepared and will be completed early in the New Year.

68-2: Canaport LNG to ensure there is no schedule conflict with the December CCELC meeting and the Canaport LNG holiday party.

The Canaport LNG Holiday Reception occurred on December 8th.

68-3: Send thank-you letters to those CCELC members who have resigned.

Thank-you letters were sent to Kathy Rogers and Glen Griffin.

(3) NEW BUSINESS:

NBDENV Update

David Peterson provided the NBDENV status report update. Monthly monitoring reports are being submitted to the DENV, which report on water and air emissions generated by the LNG Terminal, and there are no issues to report. Emissions are good, and are significantly lower than allowable levels. There was one reportable event, with a release of Natural Gas from an unloading arm.

(Fraser Forsythe) Each unloading arm is equipped with a Power Emergency Release Coupler (PERC). During the cool-down process on one of the arms (a process of flowing cold gas into the arms to cool them down prior to offloading the LNG), a separation joint gasket leaked and the arm had to be isolated and taken out of service. The arm was drained of LNG, purged with nitrogen, disconnected, and parked aside for inspections and repairs. It was estimated that ~ 0.52 m³ of LNG was released.

Q1: (David Thompson) Did the spill occur on the deck?

A1: (Fraser Forsythe) The spill occurred on the manifold deck, which is the size of the Red Head Church Hall room. Underneath the manifold deck, there is a drip tray designed to handle spills. When it leaked, the LNG immediately vapourized, and no liquid natural gas was released on deck/drip tray system. When the arm was inspected, the leak was so small that you couldn't even see it.

Q2: (David Thompson) Was it a worn gasket?

A2: (Fraser Forsythe) We are still investigating at this point.

Q3: (Pam McNeil) How did you know it was leaking?

A3: (Fraser Forsythe) You can see the leaking location as it resembles steam escaping from a pipe.

Q4: (David Thompson) Are there sirens on the ship that provides notification of a spill?

A4: (Fraser Forsythe) Yes, the ship is equipped with gas detectors which would sound an alarm. As we maintain a visual watch during the entire unloading operation the operators saw the leak and it was also captured on video cameras. We can track the time of the leak to the second. The gaskets in the PERC were changed and replaced. The arm was pressure tested, and is now working fine.

Q5: (Gordon Dalzell) What would have happened if there was a spark?

A5: (Fraser Forsythe) It could have caused a fire, and which would have burned briefly or until the flammable vapours generated by the leak were combusted. However, the leak occurred in an area where we use non-sparking, intrinsically safe tools and where operating equipment is built to hazardous area classifications to reduce the possibility of a spark ignition.

Q6: (Carol Armstrong) When did this occur?

A6: (Fraser F) I believe it was around 5pm on Thursday, November 15.

Q7: (Gordon Dalzell) Is this type of incident typical in this industry?

A7: (Fraser Forsythe) It is not typical, but can occur as the PERC and the separation junction gaskets must break apart in an emergency situation.

Q8: (Jan Johnston) Was the fire department called?

A8: (Fraser Forsythe) No.

Q9: (Gordon Dalzell) What notification requirements are indicated on the Certificate of Approval?

A9: (David Peterson) The Certificate of Approval has conditions specific to the Terminal. Immediate reporting is required with an emergency. There are no reporting requirements for normal operational activities such as normal venting, flaring, etc.

Q10: (Gordon Dalzell) Do the DENV do inspections?

A10: (David Peterson) I have not been at the Terminal in the last three months. The Department would look at doing a compliance audit after an emergency response. An emergency response is usually related to a spill. Our role at that point transforms from inspectors to investigators. A compliance audit can be schedule or unscheduled, although they are often scheduled at a larger facility as coordination is usually required.

Q11: (David Thompson) When does the owner report an emergency?

A11: (Fraser Forsythe) We report them immediately.

(David Peterson) The general sequence in the event of an emergency is safety of the casualties, property, and environmental protection.

Q12: (Gordon Dalzell) Has there been any discussion on the potential changes to the DENV?

A12: (David Peterson) The government made it clear there will be fewer departments as they attempt to streamline processes and increase efficiency. There was an article in the paper three weeks ago discussing the idea of amalgamating departments such as DNR & DENV.

David Thompson brought up the project that ACAP Saint John was involved with in 2004 where large used tires were put on the beach in Red Head in an attempt to prevent erosion. The outcome was the tires washed up all over the beach and have not been removed.

Action 69-1: David Peterson to review the file of tires used on Red Head Road (for erosion) and report back to the committee

(Gordon Dalzell) Canaport LNG could look at this as an option to clean-up and remove them.

Action 69-2: Canaport LNG to consider cleaning up the tires along Red Head shoreline as an option to do community work

David Thompson re-iterated a concept that was brought up at an earlier meeting that a longer term plan at Mispec beach is to build up the pathway behind the swings in order to access the beach.

CLNG Site Update

Fraser Forsythe provided the site update. Operations are busier this time of year, with an increased number of ships coming through. Last year, the Terminal's busy season peaked from December to February.

Q13: (Gordon Dalzell) Is Canaport LNG making money?

A13: (Fraser Forsythe) Canaport LNG does due to the nature of the financial structure set up for the Terminal. I believe this year will be profitable; whereas I believe last year was not as good a year. It is a tough market in North America and generally gas prices are very much lower than originally expected when the Terminal was constructed.

Fraser Forsythe provided a presentation on the Boil Off Gas (BOG) Compression project, which will include the addition of a fourth BOG compressor and an additional gas compressor on the Terminal. The approximate 43 million dollar project will allow the Terminal to operate at lower send outs during low demand seasons, and will result in reduced emissions. The presentation included a project overview, a background on the current BOG system, drawbacks on the current systems, benefits of a 4th compressor, and milestones for this Project.

Q14: (David Thompson) Why didn't Canaport LNG include a fourth BOG compressor in the first place?

A14: (Fraser Forsythe) The Terminal was built in 2005, and didn't anticipate the LNG market to drop as it has.

Q15: (Jan Johnson) Is there a prototype of this Project?

A15: (Fraser Forsythe) There are a number of Terminals in the US who have done and are doing similar projects.

Q16: (Gordon Dalzell) Is this an EIA trigger?

A16: (Fraser Forsythe) No trigger. The Project was discussed with the DENV, and they have requested a letter description of the Project. We intend to do that following the CCELC meeting.

(David Thompson) Canaport LNG should consider putting on a public information night, to review the planned Project.

Q17: (Carol Armstrong) Two to three weeks ago there was a loud noise for 2 days and night during the week of November 19th or the end of the week before. Can you explain what that might have been?

A17: (Fraser Forsythe) I will check the dates in which we had a ship on berth.

Action 69-3: Canaport LNG to review ship berth schedule to see if the date corresponds with the timing of an unknown noise that was heard for 2 days and nights in mid-November.

David Peterson suggested calling Canaport LNG directly if there are any issues, complaints, or concerns. Phoning DENV adds an extra step that may delay resolution.

Fraser Forsythe asked anyone wishing to voice a complaint or concern to call the main line at 638-1300. This line is manned 24 hours a day.

Gordon Dalzell suggested the CCELC, as a group, support the BOG Project where it will result in emissions reductions.

The following motion was made by David Thompson:

Motion 69-1: The Canaport Community Environmental Liaison Committee sees the installation of a fourth compressor to conserve natural gas and reduce air emissions as a positive move for the company

The motion was seconded by Gordon Dalzell. All were in favour of this motion.

Q18: (Vern Garnett) Were there flaring events in October / November?

A18: (Fraser Forsythe) Quite possible. We had a Qmax shipment in, and they tend to offload very quickly creating more BOG. We also changed filters in our high pressure pump, and before we do this, we have to make it safe and vent excess gas to the flare.

Members Statement:

Gordon Dalzell provided notification to the committee regarding the following:

1. The Operating Approval for Irving Pulp and Paper is up for renewal in 2012. Comments can be made by the public, and these will be incorporated into the interim summary. <http://www.gnb.ca/0009/0355/0005/Notice/IrvingPulpPaper.pdf>
2. The Records of Proceeding regarding the application to amend the Point Lepreau Nuclear Generating Stations Operating license is available on the Canadian Nuclear Safety Commission Website for those who are interested. The website is <http://www.nuclearsafety.gc.ca/eng/commission/pdf/2011-08-25-Decision-NBPower-CMD11-H117-Edocs3786117.pdf>
3. Regarding the Irving Oil Alternative Crude Supply Pipeline, when will it be approved? Although it was unknown at the time of the meeting, a Certificate of Determination was issued on November 20, 2011. <http://www.gnb.ca/0009/0377/0002/EIA.pdf>

Q19: (Gordon Dalzell) Does Canaport LNG have any concerns with the construction of the pipeline near the Terminal & Jetty (for the alternate crude pipeline)?

A19: (Fraser Forsythe) Yes; however, we have a comprehensive Permit to Work system that must be signed off by CLNG operating personnel when any work is to be done within the Terminal operating areas. Additional precautions are also made during construction including gas testing, wearing gas monitors, setting up portable gas monitors, etc.

Q20: (David Thompson) What is the estimated completion date of the crude line?

A20: (Fraser Forsythe) I believe in 2013, but it maybe longer.

Gordon Dalzell made a statement regarding in the absence of careful permitting, construction could be tricky and dangerous.

Q21: (Jan Johnston) Will the BOG compressor building be insulated?

A21: (Fraser Forsythe) No. The building will be about the size of the Red Head Church Hall and the same construction as the existing BOG shelter.

Q22: (David Thompson) How often is sound monitoring is performed?

A22: (Fraser Forsythe) Sound monitoring is performed on a bi-annual basis. The treed buffer between the site and the residents, along with the higher elevation of Red Head Road, tends to block the source of sound from the residents.

Q23: (Gordon Dalzell) Have there been any noise complaints? What are the residents experiencing?

A23: (Carol Armstrong) It is a lot quieter now.

(Fraser Forsythe) Once construction begins for the BOG Compressor shelter, it could be noisier but will not be anything like it was during the initial construction of the Terminal.

Carol Armstrong gave her permission for sound monitoring to be performed at her house at any time.

ADJOURNED:

8:10 pm

Submitted by: Fundy Engineering

NEXT MEETING DATE:

Monday, 12 March 2012 at 6:00 pm

Red Head United Church

ATTACHMENTS:

- Table of Action Items
- BOG Presentation

Table of Actions/Responsibilities – 5 December 2011

Action #	Action Item	Responsible Party	Due Date
69-1	<i>David Peterson to review the file of tires used on Red Head Road (for erosion) and report back to the committee</i>	<i>David Peterson</i>	<i>March 2012</i>
69-2	<i>Canaport LNG to consider cleaning up the tires along Red Head shoreline as an option to do community work</i>	<i>Canaport LNG</i>	<i>March 2012</i>
69-3	<i>Canaport LNG to review ship berth schedule to see if the date corresponds with the timing of an unknown noise that was heard for 2 days and nights in mid-November.</i>	<i>Canaport LNG</i>	<i>March 2012</i>

Motions:

Motion 69-1: The Canaport Community Environmental Liaison Committee sees the installation of a fourth compressor to conserve natural gas and reduce air emissions as a positive move for the company