

Canaport LNG Project

Canaport Community Environmental Liaison Committee (CCELC)

Minutes of Meeting CCELC # 78
Monday, 18 November 2013
Red Head United Church Hall, Saint John, NB
Meeting 6:10 pm –8:30 pm

APPROVED AS AMMENDED

Committee Present:

- Armstrong, Carol Resident
- Dalzell, Gordon SJ Citizens Coalition for Clean Air
- Debly, Teresa Resident
- Forsythe, Fraser Co-Chair (Canaport LNG)
- Johnston, Jan Resident
- Silliphant, Craig ACAP
- Thompson, David H. Fundy Baykeeper

Committee Absent:

- Perry, Yvonne Member
- Smith, Elsie Resident
- Thompson, David Member
- McNeil, Pam Resident

Resources:

- Tim Ryan Fundy Engineering
- O'Brien, Kevin City of Saint John
- Peterson, David NBDELG

Observers:

(1) OPENING REMARKS:

The meeting commenced at 6:10 pm with Fraser Forsythe welcoming everyone. A special welcome was given to Craig Silliphant, ACAP Representative. The agenda was approved.

Review & Approval of Minutes from Meeting #76, 9 September 2013 and Meeting #77, 1 October 2013

The minutes of meeting # 76 on 9 September 2013 and meeting # 77 were reviewed with no changes. The minutes were accepted, motioned by Gordon Dalzell and seconded by David Thompson.

Gord Dalzell brought to the committee's attention the quality and thoroughness of the minutes that are taken, written and provided for the meeting. David Thompson agreed with this comment. Mr. Dalzell welcomed the web references included in the minutes for a source of additional information.

Approved minutes to be placed on the Canaport website.

(2) BUSINESS ARISING FROM PREVIOUS MEETINGS

Action 77-1: Review & approve minutes from meeting #76, 9 September 2013 and meeting #77, 1 October 2013.

77-1. Done

Action 77-2: Follow-up with Enterprise Saint John and Department of Energy to determine interest in providing representation on the CCELC

77-2: Enterprise Saint John (ESJ): Email sent to Steve Carson from ESJ on October 1 to gauge interest in joining. Mike Bacon, the Director of Administration, indicated they would bring it to their next staff meeting to see if there was interest. Followed up on 13 of November. They are meeting again in the New Year, and will make a decision at that time. Department of Energy: Email sent to Department of Energy on October 1st. No reply to date.

Action 77-3: Post a notice in the store, as well as in Canaport Connections to see if there is any interest from the community in joining the CCELC.

77-3: Notice was posted in the store on November 8th. A copy of the notice is included herein. To date, one person inquired on the committee (a current resident named Jesse). This individual was invited to the meeting on November 18 to act as an observer.

Action 77-4: Attach a copy of the EIA approval document to the next month's meeting minute package:

77-4: This was sent out in the last meeting minute package.

(3) UPDATES

NBDELG Update (Dave Peterson)

One minor spill was reported from the previous meeting, not significant. The Approval to Operate was modified for a five year period to include the loading of LNG onto ships as per the recently approved EIA. There were no violations of the Approval since the last meeting. The New Brunswick Department of the Environment and Local Government (NBDELG) acted as observers at the Security Exercise in October.

Gord Dalzell had a question with respect to condition 5 of the EIA approval (condition reprinted below)

5. Bird migration patterns must be taken into consideration by the proponent when scheduling ship loading activities. In addition, flaring activities should be scheduled taking into consideration bird migration patterns. Further, any recommendations arising from the current investigation (flaring/migratory bird mortality event) by Environment Canada/Canadian Wildlife Service may result in additional mitigation requirements.

Dave Peterson indicated that Canadian Wildlife Services (CWS) may take anywhere from 6 months to 2 years to complete their investigation of the flaring incident.

Fraser Forsythe indicated that the new Approval to Operate has a condition to include recommendations from Environment Canada (EC) and CWS with respect to the recent flaring event at the site and impact on birds.

Action 78-1. :Provide a copy of the Approval to Operate be circulated to the CCELC Members.

A general discussion followed on the Bird studies in the initial Environmental Impact Assessment (EIA). The emphasis of the EIA was to consider species at risk and shore birds. In particular, Scoters and the Harlequin Duck were the focus of the assessment. There was some concern that the EIA neglected to look at song birds and nesting birds in great detail. It was noted that there were restrictions on the timing and scheduling that clearing activities could occur to avoid impacts to nesting birds. Fraser Forsythe noted that all clearing activities were completed in March 2005 to avoid the bird nesting period and that the site then sat idle until the fall of 2005 when civil construction began. Fraser also noted that the design of the terminal is not to flare, that the terminal was initially designed with a cold vent and then changed, with Regulatory Approval, to a flare venting system in 2008. There has been no flaring since September 29 at which time the new booster compressor was fixed and in normal operation and low volumes of natural gas send out, below the rate of one Submerged Combustion Vapourizer (SCV), could be accommodated.

Dave Peterson noted that the Department has had both verbal and written correspondence with Irving Oil Limited (IOL) with respect to the Irving Canaport Crude Oil Terminal and how it is regulated and also on the membership of the Irving Oil Refinery Community Liaison Committee. A copy of the letter written to IOL was read into the minutes and is included herein. Mr. Peterson provided names to IOL for consideration as members to the IOL Refinery Committee. Dave Peterson also indicated that the NBDELG has not determined if, or how, the Crude Oil Terminal is to be regulated. It was noted by Dave that the Energy East Project EIA submission may impact the NBDELG's decision and that if the Energy East Project were to be cancelled that the NBDELG would still need to look at this Canaport Crude Terminal. Dave Peterson reiterated that question regarding IOL Projects or the Energy East Project should be discussed at the IOL Refinery Committee meetings and not the CCELC.

David Thompson noted that membership of the IOL Refinery Committee should be broadened to include more community members and environmental groups. Gord Dalzell, who is currently on the Committee, agreed and noted that there have been more members lately from Champlain Heights. Mr. Dalzell recommended the best way to gain entry to the IOL Refinery Committee was to request to become a member in writing. Mr. Dalzell also agreed with the need and desire to expand the membership at the IOL Refinery meeting.

Dave Peterson closed his report by noting a strong odour was reported on the west side of the City as a result of four truck movements over a 48 hour period about two weeks ago and asked the Committee if a strong odour was noted in the vicinity of the LNG Terminal. Both Teresa Debly and Fraser Forsythe noted that there was not an odour that they were aware of.

Dave Peterson noted that the new Approval is for a Class 3 Facility and that classification does not require Public Input. The Approval is in place for five years.

Canaport LNG Update (Fraser Forsythe)

Fraser Forsythe noted that the Booster Compressor project is substantially finished with minor deficiencies, punch list items and clean-up left to complete the \$45M project. A new fender was replaced on the Jetty just prior to the last ship arrival. A Q-Max ship arrived on Friday November 15 and left Sunday November 17. The Terminal has been operating at 10% off and on over the past couple of weeks, with the expectation that it will return to 1% until the really cold weather comes. The advent of unconventional gas in North America continues to put downward pressure on the entire Natural Gas market. All gas exiting the Terminal is bound for the Market in Boston.

Gordon Dalzell asked if there were any foreseeable changes to the Facility.

Fraser Forsythe informed the committee that Repsol continues to look at all possible options for the Terminal. That is why Repsol looked at, and permitted, the facility to load LNG should the Terminal have excess gas in storage after a mild winter. Teresa Debly asked if Repsol chartered a ship to load LNG.

Fraser Forsythe indicated that to best of his knowledge Repsol has not chartered a ship at this time. The booster compressor does enable the Terminal to send out gas at low volumes, which opens up some opportunities. There are spot opportunities when short term contracts can be purchased and the design of the Terminal allows such contracts to supply gas on relatively short notice. In my opinion it is now most likely that the Terminal would only consider loading LNG after the winter heating season is over.

Fraser Forsythe explained the recent Security Exercise held at the Facility to review and evaluate the Terminals' Emergency Management Program. These exercises are held at least every 18 months. The most recent Exercise included a security breach, explosive and hostage taking by disgruntled employees. With the exception of one person employed with Canaport LNG, no one at the Terminal had any knowledge of the Exercise, only the date that it will happen. The Exercise was developed by an International Consulting Firm specializing in Security and was also monitored by a local specialist company Emergency Solutions International (ESI Mark Gillen – former Deputy Fire Chief). Outside responders (Fire and Police) are brought to the site as required and are part of the Exercise. **The entire Exercise is fictitious, no real explosions occur.** Both external Consultants evaluate the entire Exercise. An "After Action Plan" will be prepared for Canaport that will outline performance in the Exercise related to the Emergency Management Program and any recommendations.

Fraser Forsythe noted there has been some activity to clear the Right-of-Way (ROW) for the pipe sleepers for the crude line on the IOL Crude Terminal property . The pipe will be entirely above ground. Construction trailer and work areas have been set-up on the Canaport Crude Terminal side of the fence between the LNG and Crude Terminal. The same type of ships (excluding VLCC size) currently using the monobouy will be able to unload crude through the yet to be installed unloading arm.

There was some discussion on the structural integrity of the Terminal as it related to wind events and Fraser noted that winds up to 60 knots have been recorded at this site and that the Terminal is designed for such events.

Jan Johnston inquired about construction trailers and access to the site.

Fraser indicated that all construction trailers will be placed between the LNG Terminal and Crude Terminal well away from the Red Head Road. All traffic for the construction project is to go through the IOL entrance and construction parking will be within the IOL Terminal property. It is expected that construction once started will continue until fall of 2014 and that construction would be from 7 to 7 six days a week. Dave Peterson indicated that IOL have not fully clarified to the Province the use of the Jetty, and number of ships, with respect to the use of the monobuoy. ALERT are currently evaluating their response capabilities, and increasing the number of exercises they perform to evaluate their spill response procedures. Dave Peterson informed the Committee that ALERT is a standalone company owned by Irving that is funded by ships that call on the Port of Saint John.

A discussion ensued about the readiness of ALERT to handle a release in the Bay and the resulting increase in requirements should the Energy East Project proceed. Craig Silliphant noted that ALERT have the contract for the entire Bay of Fundy and that they have a large workforce and partnerships that they can mobilize should they need. It was noted that this is the norm in the Industry as response organizations in different geographical regions have reciprocal agreements to support one another and that ALERT has supported work in the Gulf of Mexico. It was noted by Dave Peterson that a spill in the Courtney Bay would be controlled by booming off the area impacted whereas a spill out in the Bay would be handled by booming off the ship and then chasing the product in the tide streaks. Dave Peterson noted that ALERT did have a very robust product skimmer that could be deployed as needed for a 20,000 to 30,000 barrel release. David Thompson related a story from a release from the 90's that impacted the shore in Musquash and Digby areas but could not recall if ALERT were part of the response effort.

(4) MEMBERS STATEMENT

Gordon Dalzell related the details on the Energy East project as a result of a meeting that he recently attended, and in particular the Marine Terminal. TransCanada has an over 60 year history with pipelines to draw upon. There will be between 18 and 21 tanks with a tank capable of holding 650 000 barrels of crude oil. Gordon Dalzell would like to see the tanks have Volatile Organic Compound (VOC) emission capture equipment. TransCanada agreed to listen, evaluate and consider all ideas to help with fugitive emissions. Gordon Dalzell was impressed with the level of local knowledge. TransCanada are aware of ALERTs' capabilities for spill response and will ensure that adequate provisions are in place. TransCanada intend to register the Project with the National Energy Board in early 2014. Gordon Dalzell indicated that every Intervener needs to register with the NEB to be able to present at the hearing. Gordon Dalzell wondered if the province would be able to play a role to ensure that all persons and groups that wanted to speak as Interveners were given the opportunity at the hearing. Gordon Dalzell recommended that a NB Environmental Impact Assessment (EIA) style of Public Consultation process be followed. Dave Peterson indicated that the Undertaking would be reviewed through a harmonized process between the Feds and the Province. Fraser Forsythe advised that all of this discussion was outside the purview and responsibilities of the CCELC.

ADJOURNED:

8:30 pm

(5) NEXT MEETING DATE:

Monday, January 13, 2014 at 6:00 pm

ATTACHMENTS:

- Table of Action Items

- Canaport LNG Approval to Operate
- Response Letter to IOL from DENV on motion for CCELC

Table of Actions/Responsibilities – 18 November 2013

Action #	Action Item	Responsible Party	Due Date
78-1	<i>Include the Approval to Operate with the minutes of the meeting.</i>	Fundy Engineering	13 January