

**From:** [L'Heureux, Suzanne](#)  
**To:** [Hajdu, Rob \[CEAA\]](#)  
**Cc:** [Doucette, Paula: TC](#); [Chatwell, Ian: TC](#); [Hall, Ronald: TC](#); [Hubbard, Cindy](#); [Parkinson, Colin R: TC](#); [Beavis, Katherine: TC](#)  
**Subject:** RE: TC Federal Authority Advice Record - Pacific Future Energy Refinery Project - Transport Canada's response  
**Date:** July 21, 2016 12:08:19 PM  
**Attachments:** [Minor Works Order as published in the Canada Gazette April 19 2014 \(2\).pdf](#)

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Hi Rob,

As requested, please find Transport Canada's responses to the FAAR questions below.

1. Indicate whether the description of potential environmental effects presented in the Project Description is sufficient in characterizing project effects to the components of the environment, as defined under section 5 of CEAA 2012, that relate to your mandate, including whether these effects may be adverse.
  - **TC Response:** Generally yes, although TC has one comment. The following 3 paragraphs were extracted from the proponent's Project Description:

*"... our Project will create new opportunities for NEATBIT™ producers to access world markets, especially in Asia, the only market in the world with projected growth. We will also be opening up domestic markets for our products, offering the highest quality gasoline and diesel, anticipating future emissions requirements."*

*"The export of products is planned via a tolled process, whereby purchasers or offtakers will be responsible for the transport of product from the Refinery. By extension, this activity would benefit the Proponent and purchasers. It will be the responsibility of offtakers to obtain the necessary permits and approvals to construct the necessary infrastructure to enable export. PFEC would expect that a separate EA process would be required for an export project, in addition to acquiring an export licence from the National Energy Board (NEB)."*

*"Early third-party studies suggest a marine terminal could be situated along the Portland Inlet, in the event such a development were to secure the support of a host First Nation. If such a marine terminal were to be developed, we anticipate that two (one for gasoline and one for diesel) short (275 km) pipelines, developed in partnership with First Nations along the route, could be built to support the marine terminal's operations."*

As per our conversation on July 6<sup>th</sup>, 2016, TC understands that the proponent is not proposing a method of exporting their product. TC is interested in knowing what the proponent is planning to do with their finished product. TC believes this information should be provided under Section 1.2 (Project Purpose and Rationale) since it mentions accessing world and domestic markets. How can this be achieved if the proponent is not clearly proposing a method of shipping/transporting their product to these markets? Should a marine terminal and/or a pipeline be proposed in the future, TC would potentially have expert advice to provide and/or a regulatory role.

2. Identify any *additional* potential adverse environmental effects of the Project that are not described in the Project Description and their linkage to components of the environment under federal jurisdiction (as defined under section 5 of CEAA 2012). Identify whether any potential adverse environmental effects are likely to be significant in nature.
  - **TC Response:** See above and below plus any CEAA section 5(2) effects would need to be analyzed as a result of the issuance of any of these Approvals/Permits/Authorizations. It is too early to predict the significance of these effects.
3. List the potential powers, duties, or functions that your department may issue to enable the Project to proceed, why they might be issued, and which project components and activities are related to the powers, duties, or functions.
  - **TC Response:** TC may need to issue a number of Approvals as a result of this project. Below is a draft

summary (These may change as the project matures.).

o Navigation Protection Act:

- TC-Navigation Protection Program may need to issue approvals under the Navigation Protection Act (NPA) for the discharge into Douglas Channel, which is a Scheduled Water under the NPA. A self-assessment of the project against the Minor Works Order (attached) for Outfalls should be conducted by the proponent to determine if a Notice to the Minister is required for this and any other works on scheduled navigable waters.
- Existing NWPA-Approved Works- TC-Navigation Protection Program may need to issue approvals under the NPA for the modification or replacement of potential existing *Navigable Waters Protection Act* (NWPA)-approved road bridges or other works (i.e. under the NWPA or any existing provincial bridge) on access roads. TC will need the proponent to list any existing NWPA-approved or BC Government –owned bridges that will be modified or replaced for the project so that TC can determine if the bridge owner wishes to opt out of the NPA or whether a Notice of Works is required.

o Transportation of Dangerous Goods Act – Emergency Response Assistance Plan(s):

- As with any construction and ongoing operation of this nature there will be the transportation of dangerous goods. Dangerous Goods must be handled, offered for transport and transported in accordance with the TC *Transportation of Dangerous Goods Act/Regulations*.
- Transport Canada will attend some types of incidents/accidents by rail and at times incidents/accidents on highways in conjunction with the province of BC.  
<http://www.tc.gc.ca/eng/tdg/clear-part8-379.htm>
- There is a regulated Emergency Response Assistance Plan (ERAP) program (Part 7 of the TDG Regulations) that requires a company transporting certain types of DGs to have an ERAP before they can be transported. The ERAP must be approved by TC and the company must have received a registration number from TC before they are allowed to ship ERAP-able products. Anyone who handles, offers for transport, imports and/or transports DGs must comply with TDG regulations. This includes holding a valid TDG certificate, completing the appropriate documentation, using the proper means of containment, reporting any reportable spills and holding a valid ERAP when required.  
<http://www.tc.gc.ca/eng/tdg/clear-part7-374.htm>.

o Canadian Aviation Regulations – Obstruction Clearance Permit:

- TC-Civil Aviation may need to issue Obstruction Clearance Permits in relation to the proposed oil refinery and flare systems/stacks associated with the Project. Also, should the proposed site involve the erection of cranes or towers that could pose a threat to aviation operations, the proponent will be required to submit an Aeronautical Obstruction Clearance Form for review and approval. As more detailed specifications for the project infrastructures are developed, they should be assessed for any marking/lighting requirements per Canadian Aviation Regulations (CAR) 601 - Division III - Marking and Lighting of Obstacles to Air Navigation and Standard 621 - Obstruction Marking and Lighting. The regulation can be accessed online at:  
<http://www.tc.gc.ca/eng/acts-regulations/regulations-sor96-433.htm>.
- The standard can be accessed online at:  
<http://www.tc.gc.ca/eng/civilaviation/regserv/cars/part6-standard-standard621-3868.htm>
- An Aeronautical Assessment Form for Obstruction Marking and Lighting can be downloaded ([http://wwwapps.tc.gc.ca/wwwdocs/Forms/26-0427E\\_1405-04\\_E.pdf](http://wwwapps.tc.gc.ca/wwwdocs/Forms/26-0427E_1405-04_E.pdf)) and submitted via email ([pacAOCF@tc.gc.ca](mailto:pacAOCF@tc.gc.ca)) or fax (1-855-618-6288).
- NavCanada would have to get information such as the location and height the obstructions to update their aeronautical charts. The Application form is available online (<http://www.navcanada.ca/EN/products-and-services/Pages/land-use->

[program.aspx](#)).

o Rail Safety

- Although not related to a specific power, duty or function, TC can also provide expert knowledge and advice related to this project around Rail Safety, should the project be scoped to include the transport of bitumen via rail.
- TC's Rail Safety Program is responsible for developing, implementing and promoting safety policy, regulations, standards and research. It also works with partners to make safety improvements at rail/road grade crossings. Regional inspectors monitor for compliance with the approved regulatory requirements, and enforce whenever non-compliance is identified. This work is undertaken under the auspices of the *Railway Safety Act*. While many complex activities make up the program, the Rail Safety Program works through regulation, outreach and oversight to achieve a national rail transportation system that Canadians recognize as safe and efficient.
- Local railway companies fall directly under the authority of the *Railway Safety Act* when operating on federally-regulated railway lines. This means that local railway companies are directly responsible for complying with the federal railway safety regime when on federally-regulated track. This will involve submitting railway safety rules that apply to their operations to Transport Canada for approval. Transport Canada will be responsible for monitoring their compliance to these rules by going directly to their company instead of their host railway company.
- It appears that the rail yard will be constructed for the purpose of unloading rail cars. Whether or not TC-Rail Safety has any involvement is dependent on who will be the owner of the trackage. If the owner is going to be CN, then the trackage will fall under federal regulation and they will likely have to file a Notice of Railway Works prior to construction. However, if the owner of the trackage is someone other than a federally regulated railway, then the trackage will fall under provincial jurisdiction, which according to the Project Description would be the case.

4. Identify the potential environmental effects, associated with that power, duty or function identified above, as described in subsection 5(2) of CEAA 2012. Please include in your response a description of the scope or extent (i.e. project activities addressed and components of the environment included) under this power, duty or function.

• TC Response:

In general, the following environmental effects (which include navigation) under CEAA 2012 s. 5 (2) should be taken into account:

A change, other than those referred to in paragraphs 5.(1)(a) and (b), that may be caused to the environment and that is directly linked or necessarily incidental to the potential issuance of the above approvals; and, an effect, other than those referred to in paragraph 5.(1)(c), of any changed referred to in paragraph 5.(2)(a) on

- Health and socio-economic conditions
- Physical and cultural heritage, or
- Any structure, site or thing that is of historical, archaeological, paleontological or architectural significance.

Navigation as a VC would also be included under section 5(1)(c) of CEAA, 2012.

5. Has your department or agency already exercised the above-noted power or performed a duty or function to enable the proposed Project to proceed in whole or in part? If yes, please describe.

- TC Response: No.

If you need further explanation, just let me know.

Thanks,

<Original signed by>

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## Suzanne L'Heureux

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**From:** Hajdu,Rob [CEAA] [<mailto:Rob.Hajdu@ceaa-acee.gc.ca>]  
**Sent:** Thursday, June 30, 2016 3:24 PM  
**To:** Chatwell, Ian  
**Cc:** Environmental Assessment Pacific Region - Évaluation environnementale région du Pacifique  
**Subject:** TC Federal Authority Advice Record - Pacific Future Energy Refinery Project

Dear Ian:

On June 27, 2016 the Canadian Environmental Assessment Agency (the Agency) accepted a project description for the Pacific Future Energy Refinery Project (the Project), proposed by Pacific Future Energy Corporation (the proponent). Please note that this letter is different from the one sent to you on May 18, 2016 for the Kitimat Clean Refinery Project.

The proponent is proposing the construction, operation, decommissioning and abandonment of a new oil refinery located approximately 32 kilometres north of Kitimat, British Columbia. The Project would include a refinery, a 50 metre wide access road, a rail yard, water withdrawal and discharge infrastructure, and a petroleum storage facility. The Project is expected to process approximately 200,000 barrels per day of NEATBIT™ (solid, undiluted bitumen) over a lifespan of at least 60 years.

The Project does not have a proposed method of exporting its product.

The Agency is now determining whether a federal environmental assessment (EA) of the Project is required. The 20-day comment period on the summary of the project description and the substitution request was announced today (Registry reference number 80127).

As per section 11 of the *Canadian Environmental Assessment Act, 2012* the Agency requests that you review the project description and complete and return the attached Federal Authority Advice Record by no later than July 21, 2016.

The file for the Project description is too large for emails so it is available here: <http://www.ceaa-acee.gc.ca/050/document-eng.cfm?document=114720>

For your information I've included the following links:

- News release: <http://www.ceaa-acee.gc.ca/050/document-eng.cfm?document=114718>
- Public notice: <http://www.ceaa-acee.gc.ca/050/document-eng.cfm?document=114717>
- Summary of the project description: <http://www.ceaa-acee.gc.ca/050/document-eng.cfm?document=114719>

Please let me know if you have any questions.

Regards,

Rob Hajdú

Project Manager

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