

Project Notification Report

PN-012 Inga Gas Plant Expansion Project

January 13, 2025



EAO

Environmental
Assessment Office

1.0 OVERVIEW OF THE PROJECT NOTIFICATION PROCESS

Section 10 of the *Environmental Assessment Act*, 2018 (the Act) requires that proponents submit a Project Notification to the Environmental Assessment Office (EAO) before proceeding with a project when the project exceeds a notification threshold set out in the *Reviewable Project Regulation, 2019*, (RPR). A proponent of a project that meets the notification thresholds must not carry out any activities referred to in the notification until they receive a determination that no further review is required or any review of the project that is required has been completed.

Within 60 days of receiving the notification, the Deputy Chief Executive Assessment Officer must review a proponent's Project Notification and do one of the following:

1. Refer the notification to the Minister of Environment and Parks for consideration to designate the project as a reviewable project because of the potential for significant adverse effects;
2. Require further review under Section 10; or,
3. Determine that no further review is required.

The purpose of this Project Notification Report (Report) is to document the Project Notification process and its conclusions for the Deputy Chief Executive Assessment Officer, to inform the Deputy Chief Executive Assessment Officer's determination under Section 10(4) of the Act. More information on the Project Notification process is available in the EAO's *Project Notification Policy*.

2.0 PROJECT OVERVIEW

On May 27, 2024, the EAO received a Project Notification from the ConocoPhillips Canada Resource Corporation (ConocoPhillips), for a proposed natural gas processing plant expansion, to the Inga Gas Processing Plant 2-10-88-23W6M (Inga Plant). The Inga Plant was approved by the BC Energy Regulator (BCER) in 2019 and features two compressor trains to convert natural gas to liquefied natural gas (LNG) and was not reviewable under the *Environmental Assessment Act*, 2002, which was in effect at that time. The Inga Plant is located in northeastern British Columbia, 21 kilometres (km) from the community of Wonowon, and 100 km from Fort St. John on the Alaska Highway 97 corridor (Figure 1). The existing site of the Inga Plant is located on Crown land, 2.8 km south on Highway 97 via the Mile 88 road (Figure 2). The Inga Plant site is permitted on Oil and Gas Road 5863. The Inga Lake Recreational site is located approximately 3.5 km to the west of the Inga Plant. The Inga Plant is connected to ConocoPhillips' North Montney gas assets by an existing pipeline. The expansion is proposed on the previously disturbed current permitted lease footprint.

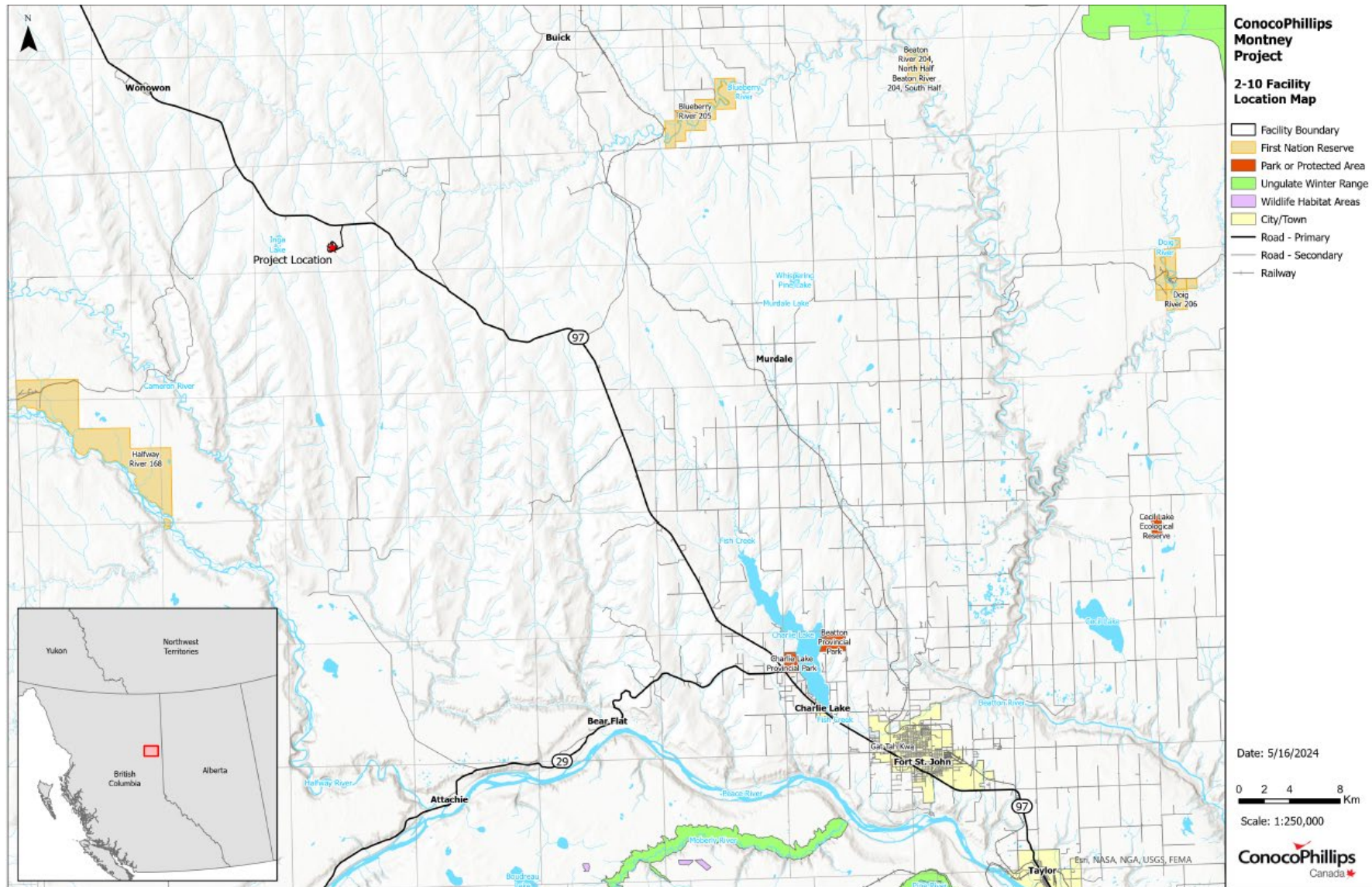


Figure 1: Inga Expansion Project Location

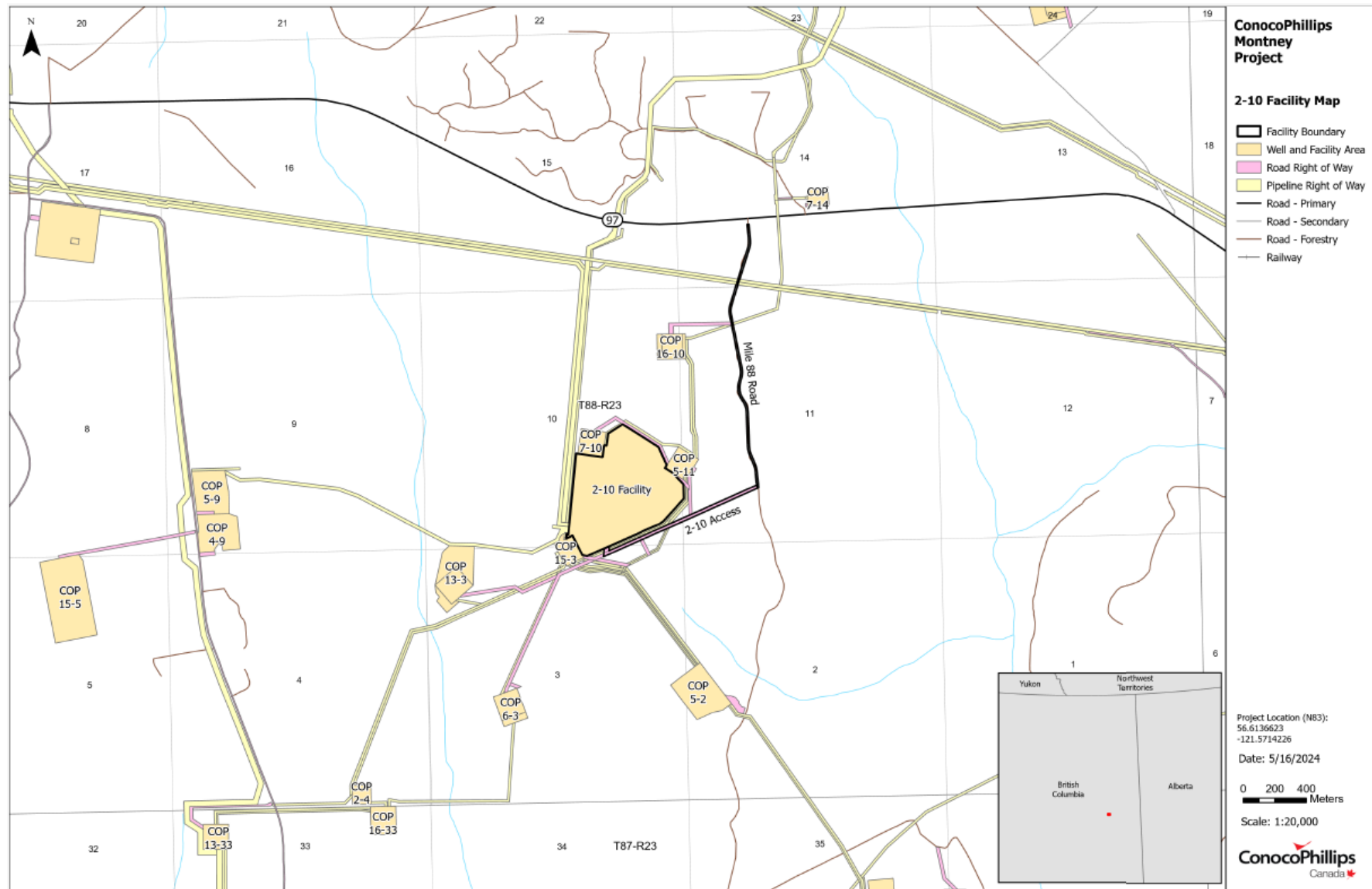


Figure 2: Inga Expansion Project Location

The proposed expansion, the Inga Gas Processing Plant 2-10-88-23W6M Expansion Project (Inga Expansion Project), will increase the capacity of the existing Inga Plant to receive and process natural gas, natural gas liquids, and produce water from the planned in-field development. The Inga Expansion Project will help support maintenance of the natural gas liquids and condensate specification as ConocoPhillips develops the eastern, liquids rich Montney land area. The Inga Plant's current inlet gas processing has a capacity of 3,391,000 cubic metres per day (m³/d). The proposed expansion will increase the Inga Plant's gas processing capacity up to 4,246,000 m³/d of total inlet gas.

The expansion of the Inga Plant is scheduled to begin late 2025. ConocoPhillips estimates that the Inga Expansion Project will take two years to complete, with 30 years of operations commencing late 2027, followed by decommissioning and closure occurring as per the BCER guidelines at that time. ConocoPhillips states that the current facility will still have capacity to operate during construction.

ConocoPhillips estimates that the early stages of construction of the Inga Expansion Project will require 25 additional workers on site, and at peak construction the Inga Expansion Project is expected to require 75-100 additional workers. The additional workers will be housed at the camp located nearby the Inga North Gas Plant c-11-k/94-A-12 (Inga North Plant) and require between 41 and 48 vehicles transiting between the camp and the Inga Expansion Project site twice daily.

Transportation of the work crew, supplies and equipment (including modules, tanks, process equipment and installation equipment) for the expansion will occur on Highway 97 from the camp to 5863 Oil and Gas Road, which is operated by ConocoPhillips. ConocoPhillips anticipates that during construction 25 to 30 loads of equipment and support materials will occur. ConocoPhillips stated that loads that do not require permits will occur during the day. It is estimated that there will be a total of approximately 200 legal loads, 180 oversized loads and 80 less than a truck loads.

As part of the expansion, ConocoPhillips will be constructing three pipelines, approximately 13 km each, between the Inga Plant and Inga North Plant. Two of these are interfacility water pipelines, transporting water for treatment between the Inga Plant and Inga North Plant. The third pipeline is a fuel gas pipeline to connect and optimize gas supply between both facilities. The three pipelines do not meet the threshold for an environmental assessment but will require additional right-of-way tenure.

ConocoPhillips stated that their route will utilize as much of the existing rights-of-way tenure as practicable; however additional tenure will be required to accommodate the additional pipes. This process will be managed through pre-application engagement with potentially affected First Nations through BCER consultation and permitting mechanisms. The two water pipelines will enable ConocoPhillips to reduce the volume of fresh water needed during the completion of fracture operations. The pipelines created outside of the Inga Plant and Inga North Plant facility boundaries will not contribute to the greenhouse gas (GHG) emissions while operating.

The expansion includes the following upgrades:

- Inlet separation;
- Amine Package and Dehydration;
- Refrigeration;
- Sales and sour compression;
- Natural Gas Liquids recovery;
- Stabilizer with compression;
- Condensate recovery with sulphur treatment;
- Storage for liquid hydrocarbons;

- Storage for fresh and produced water and associated pumps;
- Measuring and pumping equipment;
- Flare system; and
- Utility connections.

3.0 REVIEWABLE PROJECT REGULATION ASSESSMENT

The Inga Expansion Project does not automatically require an environmental assessment as it does not meet applicable criteria under the RPR. GHG emissions triggered a notification under Section 5(3) of the RPR as it is an existing project with a proposed modification that will be emitting 125,000 tonnes or more per year of one or more GHGs directly from Project facilities, measured in carbon dioxide equivalents, determined in accordance with the [Greenhouse Gas Emission Reporting Regulation](#), B.C. Reg. 249/2015.

The Inga Plant currently emits approximately 124,262 tonnes of GHG per year. If the Inga Expansion Project is approved, the Inga Plant is estimated to have a net increase of 77,714 tonnes of GHG per year, increasing the Inga Plant’s total GHG emissions to 201,976 tonnes per year. The increase in GHG emissions resulting from the expansion will primarily be from an increase in fuel gas consumption and utilities, including generators.

4.0 PROJECT AUTHORIZATIONS

The Inga Expansion Project requires that ConocoPhillips completes the Pre-Application Engagement prior to submitting a regulatory application through the BCER ([Energy Resource Activities Act, 2008](#)). The purpose of the Pre-Application Engagement is to share information, identify potential impacts to First Nation interests, and develop a mutual mitigation or management plan prior to ConocoPhillips submitting their application.

Consultation and notification are required in accordance to BCER’s Divisions 1 and 3 of the [Requirements for Consultation and Notification Regulation](#), B.C. Reg 50/2021, administered by the BCER. ConocoPhillips issued a General Information Handout, which was distributed on September 11, 2023. This handout provided the public with a project description and schedule, plans to address flaring, traffic, noise, lighting, odours/emissions, and emergency planning.

A list of the key permits, licenses and other authorizations that have been recently granted for the Inga Expansion Project, along with information regarding authorizations required for the proposed modification is included in Table 1.

Table 1: Inga Gas Plant Expansion permits, licenses, tenures, and other authorizations

Permits, Licenses, Tenures, and other authorizations	Issuer	Status	Amendment Required	Timing
Facility Permit for COP Inga Gas Plant	British Columbia Energy Regulator	Approved	Yes	2024
Waste Discharge Permit	British Columbia Energy Regulator	Approved	Yes	2024

5.0 EAO ENGAGEMENT

The EAO invited the public and the following First Nations, local governments, and provincial and federal government agencies to comment on the Project Notification during a 21-day Public Engagement and Comment Period, held from July 10, 2024, to July 31, 2024.

First Nations:

- Blueberry River First Nations;
- Doig River First Nation;
- Halfway River First Nation;
- Horse Lake First Nation;
- Dene Tha First Nation; and,
- West Moberly First Nation.

Local Governments:

- Peace River Regional District; and,
- Fort St. John.

Provincial and Federal Government Agencies:

- Ministry of Forests;
- Ministry of Environment and Parks;
- Ministry of Energy and Climate Solutions;
- Northern Health;
- Ministry of Water, Land and Resources Stewardship;
- Ministry of Health; and,
- British Columbia Energy Regulator.

The EAO received one comment from the public and no comments from First Nations during the public comment period. One provincial government agency, the Climate Action Secretariate (CAS), provided a comment requiring further information to be provided. Post-public comment period, Blueberry River First Nations (BRFN) provided comments on the Inga Expansion Project.

All comments have been discussed in section 7.0 below.

6.0 CONOCOPhillips ENGAGEMENT

The ConocoPhillips stated they consulted with Halfway River First Nation, BRFN, and West Moberly First Nations in 2023. ConocoPhillips' project notification did not report any outstanding concerns raised by these First Nations. ConocoPhillips stated they planned to meet with the BCER in 2024.

7.0 SUMMARY OF POTENTIAL ISSUES

7.1. Greenhouse Gas Emissions and Cumulative Effects

7.1.1. ConocoPhillips' GHG Reduction Plans

ConocoPhillips has taken into consideration the Provincial Government's [Climate Change Accountability Act](#), 2007, for GHG reduction targets, which includes a provincial target of reducing emissions by 40 percent below 2007 levels by 2030. ConocoPhillips recognizes the Provincial Government's GHG reduction targets, which includes a sectoral target for the oil and gas industry to reduce emissions by 33-38 percent below 2007 levels by 2030. ConocoPhillips expressed its commitment to supporting the Provincial Government to meet its legal target and has a goal to significantly reduce GHG emissions by 2030. In addition, ConocoPhillips stated they would work to reach net zero emissions by 2050, which is not currently a requirement for projects that do not require an environmental assessment certification. ConocoPhillips stated that electrification is one of the main levers in decarbonizing the ConocoPhillips North Montney gas assets. The Inga Expansion Project includes replacement of the existing gas-fired compressors with electric compressors, gas turbines and

waste heat recovery units. These components are estimated to reduce the potential GHG emissions by approximately 50,000 tonnes per year.

EAO Conclusion

The EAO has considered that the provincial government has legislated emissions reduction targets (40 percent below 2007 levels by 2030, 60 percent by 2040 and 80 percent by 2050) which frame British Columbia's approach to reducing emissions. The Province of British Columbia has enacted legislation related to the reporting, pricing and regulation of GHG emissions, including methane emissions in the oil and gas sector. As required by Provincial legislation ConocoPhillips is required to meet the carbon pricing requirements of British Columbia's Output Based Pricing System under the [Greenhouse Gas Industrial Reporting and Control Act](#), which includes reporting its GHG emissions yearly, which is administered by the Ministry of Energy and Climate Solutions. These reporting requirements apply to operations with more than 10,000 tonnes of GHG emissions annually. Since the Inga Plant produces attributable GHG emissions of 25,000 tonnes or more annually, reported emissions must be verified by a third party.

The government has committed, as part of the New Energy Action Framework, to put in place a regulatory emissions cap for the oil and gas sector to help ensure the Province meets its 2030 emissions reduction target of 33-38 percent below 2007 levels for the sector. These regulatory measures are intended to be introduced in 2025, and come into effect in 2026, and will act as a backstop to any Federal oil and gas cap regulations. The policy scope for the proposed provincial oil and gas emissions cap backstop mechanism includes emissions upstream, midstream, and LNG oil and gas development. Operations such as those proposed in the Project Notification would be in scope for this framework.

7.1.2. Comments from the Climate Action Secretariat

The CAS inquired how ConocoPhillips calculated the anticipated net increase of 77,714 tonnes of GHG per year due to the increase of fuel gas consumption and utilities. The CAS requested that ConocoPhillips provide the calculations used for the Inga Expansion Project, to ensure that the anticipated 77,714 tonnes of GHG were accurate.

ConocoPhillips stated that the emissions were quantified in accordance with the [Greenhouse Gas Emission Reporting Regulation](#) and the [Western Climate Initiative](#). ConocoPhillips also stated that the GHG emissions quantification inputs were based on fuel gas consumption and rates on design, vendor datasheets, modelling, historical gas compositions, and [Greenhouse Gas Emission Reporting Regulation/Western Climate Initiative](#) prescribed emission factors and prorated values based on historical volumes/rates and permitted inlet rates. ConocoPhillips specified that the GHG emissions were quantified using the Global Warming Potentials from Annex 11 of the Intergovernmental Panel on Climate Change's Fifth Assessment Report [AR5 (IPCC 2014)].

ConocoPhillips indicated that the incremental GHG emissions were calculated by subtracting the design max GHG emissions of the existing Inga Gas Plant (124,262 tonnes per year) from the Expansion Project design max GHG emissions (201,976 tonnes per year), resulting in a net increase of 77,714 tonnes of GHG per year. ConocoPhillips noted that the existing Inga Gas Plant would be decommissioned after the completion of the Inga Plant Expansion Project.

The CAS expressed they were unable to confirm if the anticipated increase of emissions, from the expansion, would actually be 77,714 tonnes of GHG. The CAS asked ConocoPhillips to clarify whether the fuel gas combustion quantities provided were for the current design max GHG emissions or for the expansion design max GHG emissions. The CAS questioned ConocoPhillips about the calculations used to obtain the expansion gas max GHG emissions of 201,976 tonnes of carbon dioxide equivalents. The CAS sought further confirmation of ConocoPhillips data to ensure accuracy in the methods used to estimate the anticipated 77,714 tonnes per year net increase in GHG emissions resulting from the project expansion.

Following a meeting with the EAO, CAS and ConocoPhillips on October 3, 2024, ConocoPhillips committed to providing further information regarding GHG emission calculations for the CAS to review. The CAS reviewed the supplemental

information that ConocoPhillips submitted directly to their representatives. On October 10, 2024, the CAS notified the EAO that they were satisfied with ConocoPhillips' GHG emissions quantification and did not have any further comments. The CAS identified for the proponent that this project would be subject to the cap on oil and gas sector emissions proposed under the New Energy Action Framework. The CAS noted that the Project will add new GHG emissions to the province's GHG inventory, and the increase in emissions as a result of the expansion will make it more challenging to meet legislated reduction targets and commitments to reduce emissions from the oil and gas sector.

EAO's Conclusion

Based on the comments received and the EAO's analysis above, the EAO concludes that the concerns raised by the CAS have been addressed by ConocoPhillips' responses and further information is not required.

7.1.3. Cumulative Effects of Associated Projects

On April 27, three weeks prior to the EAO receiving the Inga Expansion Project Notification, the EAO received a separate GHG Project Notification from ConocoPhillips for modification of a separate gas processing plant, the Inga North Plant. The Inga North Plant is located approximately 13 km from the Inga Plant. Three approximately 13 km long pipelines would connect the Inga Plant with the Inga North Plant. These pipelines do not trigger an environment assessment under the RPR. However, the proposed Inga North Project would result in a net increase of 7,400 tonnes of GHG emissions per year. The Project Notification review process for the Inga North Modification Project Notification was completed on October 1, 2024, and its project notification report is available [here](#). While these project notifications were reviewed separately, if the Inga Expansion Project and Inga North Modification Project were reviewed together, the combined new net increase in GHG resulting from construction of both projects would be approximately 85,114 tonnes of GHG emissions per year.

EAO Conclusion

Despite the proximity of the two plants owned by the same company, the proposed pipelines connecting both projects, and receiving two Project Notifications concerning GHG emissions within weeks of each other, they are separate plants and separate projects with separate applications, and therefore are considered distinct. However, in consideration of cumulative GHG emissions, the combined increase of emissions from the Inga Expansion Project and Inga North Modification Project would be 85,114 tonnes per year, equal to 22.4 percent of the RPR threshold (380,000 tonnes of GHG per year), remaining below the trigger for an environmental assessment, and be subject to the oil and gas sector GHG emission cap in the New Energy Action Framework.

7.2. Water Quality

7.2.1. Water Contamination

During the public comment period, the EAO received a concern raised regarding the contamination of the water source. This concern was for the communities surrounding the Inga Plant that rely on the surrounding water sources.

ConocoPhillips

ConocoPhillips stated that they will be using existing water withdrawal licenses that have been issued under British Columbia's [Water Sustainability Act](#) to construct and operate the Inga Plant and the Expansion project. ConocoPhillips owns and operates the infrastructure that is associated with the licenses and stated that no municipal water infrastructures or withdrawal volumes are required for the Inga Expansion Project.

ConocoPhillips explained that the interfacility pipelines proposed as part of the Inga Expansion Project would allow for the treatment of produced water from the Inga Plant, which potentially would allow for the additional reuse of water diverted under the water withdrawal licenses.

EAO Conclusion

ConocoPhillips will be required to apply for and receive an amendment to their Wastewater Discharge Permit, which includes produced water resulting from the expansion of the Inga Plant. The EAO acknowledges these concerns; however, potential effects on water quality resulting from the Inga Expansion Project are outside the scope of the project notification.

7.3. Effects to First Nations and their Interests

7.3.1. Comments from BRFN

BRFN submitted a letter to the EAO on August 20, 2024, outlining their concerns regarding the Inga Expansion Project. These concerns included the location of Inga Plant within BRFN territory, future associated development not being considered, project splitting and failure to consider cumulative effects. The EAO, BRFN and the BCER met on September 27, 2024, to discuss BRFN's concerns. The EAO provided an overview of project notifications under Section 10 of the Act and clarified that the Inga Expansion Project does not have an environmental assessment certificate. It was noted at the meeting that the scope of the project notification review process is limited and the BCER indicated that most of BRFN's concerns would be better addressed through permitting with the BCER, once they receive an application from ConocoPhillips.

BRFN stated that the Inga Expansion Project location is adjacent to a critical cultural area, HV1B Inga Lake, and the pipelines which would connect to the project would pass through this area. The area adjacent to the project location is currently HV1B, and under the [Implementation Agreement](#) it will be subject to 80 percent protection under a restoration and development plan with the Province, or designated a HV1A area where current oil and gas activities will be wound down at the end of their usual life. However, this decision will not be made until 2025. BRFN stated concerns regarding the timing of this decision occurring post-project notification decision.

During a meeting on September 27, the BCER noted that the development planning process addressing HV1B areas is just beginning. Information about predicted development that may be located within HV1 areas will be provided through the HV1B planning process and will be considered during these discussions. Additionally, protective measures can be discussed directly with the BCER during the permitting process once the Proponent submits their application.

With respect to future developments, BRFN noted that details regarding the pipeline infrastructure, as well as induced or upstream development, was not included in the project notification. The concerns raised included the increase in the Inga Plant's intake and processing capacity, which might result in an increase in oil and gas development in their Claim Area. BRFN felt this development would not follow the intent of the Implementation Agreement. BRFN also requested further information on how the Inga Expansion Project would tie into larger development plans in the Claim Area and number of new associated wells, as well as increase in volume of gas required to supply the facility. The BCER committed to continuing to work with BRFN through the permitting process to ensure BRFN receives the information requested to inform BRFN's understanding of the project.

BRFN referenced Section 21.3 of the Implementation Agreement with respect to requirements under an environmental assessment. The EAO responded to BRFN in a letter dated October 28, 2024, and clarified that the Inga Expansion Project is not a new energy-related project that triggers an environmental assessment, nor is it an existing project that requires an extension, amendment, or renewal of an environmental assessment certificate. Therefore, Section 21.3 does not apply to the proposed Inga Expansion Project. The EAO committed to continuing to work with BRFN to implement the Implementation Agreement where applicable and are open to hearing from BRFN their interests in working together, consistent with Section 8.2 and Section 21.3 of the Implementation Agreement.

The BCER stated that it was confirmed with ConocoPhillips that there would be four wells supplying gas to the Inga Plant post-expansion but that none of the four well pads fall within HV1 area. BCER also provided BRFN with figures showing

the Inga Expansion Project location, wells and connecting pipelines. ConocoPhillips has identified that two components of the project will fall within HV1B, the three pipelines (water use and fuel gas) connecting Inga Plant with Inga North Plant and a road upgrade. The existing gas pipeline, currently connecting the Inga Plant to well bed activities, would remain in use. ConocoPhillips stated the increase in gas processing capacity would be from the existing capacity of 3,391,000 m³/d of total inlet gas to 4,246,000 m³/d. The EAO explained to BRFN that the proposed Inga Expansion Project did not require an environmental assessment as it did not exceed the 2012 RPR, nor did it require an amendment to a current environmental assessment certificate as the current Inga Plant had not required an environmental assessment when it was proposed as it had not exceeded the 2002 RPR.

EAO Conclusion

The EAO recognizes BRFN's concerns regarding potential effects of the Inga Expansion Project on BRFN's treaty rights, as well as comments regarding the importance of adhering to the Implementation Agreement. The majority of the comments raised by BRFN are better addressed and responded to by the BCER during permitting as these comments are outside the scope of the EAO's jurisdiction and the project notification process, noting that the Inga Expansion Project is a sub-environmental assessment project and does not have an environmental assessment certificate.

The EAO understands that the BCER will require ConocoPhillips to adhere to the applicable components of the Implementation Agreement as part of their application to amend the required permits for the expansion of the facility. In addition, the proposed expansion remains within the currently permitted project footprint. The EAO informed BRFN that the project notification had been required due to the increase in GHG emissions which would result from the proposed Inga Expansion Project. While there would be an estimated increase of 77,714 tonnes of GHG emissions per year, approximately 20 percent of the RPR trigger that would require an environmental assessment.

The EAO acknowledges that there remains uncertainty regarding potential effects of the Inga Expansion Project with respect to cumulative effects and potential future developments but that these details will be reviewed, considered and addressed, where appropriate, during permitting. Nevertheless, the EAO is of the view that as these potential effects do not exceed RPR criteria and, therefore, further consideration is outside the scope of review of the project notification.

8.0 CONCLUSIONS

The EAO considered that:

- The feedback received regarding the Project Notification from the community, First Nations and agencies during the public comment period did contain concerns regarding the Project modification, which have been sufficiently addressed;
- The potential effects of the Inga Expansion Project, including the increase of GHG emissions, would be mitigated through the appropriate regulatory and permitting processes;
- The Inga Expansion Project is proposed within the existing footprint of the Inga Plant;
- ConocoPhillips is required to obtain permits and authorizations for the Inga Expansion Project that require First Nation consultation and would include mitigation measures for environmental effects, including GHG emissions;
- The cumulative sum of increase in new GHG emissions of the Inga Expansion Project and Inga North Modification Project would be less than the GHG threshold in the RPR and not trigger an environmental assessment; and
- Legislated emissions reduction targets of 40 percent below 2007 levels by 2030, 60 percent by 2040 and 80 percent by 2050 frame British Columbia's approach on climate action. Government policies, such as the commitment made as part of the New Energy Action Framework to implement a regulatory emissions cap for the oil and gas sector intended to come into effect in 2026, are intended to help ensure the Province meets its 2030 emissions reduction target for the sector. The regulatory emissions cap along with carbon pricing are the Province's primary regulatory tools to address GHG emissions from the oil and gas sector and would cover all emissions from the project.

In consideration of the above, the EAO is satisfied that the Inga Expansion Project has a low likelihood to cause significant adverse effect including to First Nations and their rights.

The EAO therefore recommends that the Deputy Chief Executive Assessment Officer, in consideration of this Report and Section 2 of the Act, make the determination that the Inga Expansion Project, as described in the Project Notification, requires no further review as per Section 10(4)(c) of the Act and may proceed to permitting with other agencies.