

# Ministers' Reasons for Decision

## *Sukunka Coal Mine Project*

*Proposed by Glencore plc*

On December 21, 2022, pursuant to Section 17(3)(c) of the *Environmental Assessment Act* (2002), we, the Minister of Environment and Climate Change Strategy and the Minister of Energy, Mines and Low Carbon Innovation have not issued an Environmental Assessment Certificate for the Project. This document sets out the reasons for this decision.



## 1.0 NATURE AND SCOPE OF THE DECISION

The Sukunka Coal Mine Project (Sukunka) is a proposed open pit coal mine that would produce up to 3 million tonnes/year of metallurgical coal, used in the production of steel. Sukunka would be located in the Peace River Regional District, approximately 55 kilometers (km) south of Chetwynd, B.C. and 40 km west of Tumbler Ridge, B.C.

The provincial environmental assessment (EA) of the proposed Sukunka Coal Mine Project (Sukunka) began in January 2013. Sukunka was also subject to a federal assessment under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012). As the provincial process was substituted for the federal process, the EAO was responsible for carrying out the assessment set out in CEAA 2012 and for the procedural aspects of consultation.

The Sukunka EA spanned almost a decade and included the establishment of an intergovernmental technical advisory working group, extensive consultation with Indigenous groups (including the First Nations Independent Review Committee), and engagement with the public. We are grateful to all parties who provided their time, knowledge, and expertise in the Sukunka EA. We recognize that extensive efforts were contributed by Glencore, Indigenous groups, and technical advisors to assist the EAO in understanding the full range of potential effects of Sukunka.

On October 17, 2022, the EAO referred Glencore plc's (Glencore) Application for an Environmental Assessment Certificate (Application) for Sukunka to us for decision. Section 17(3) of the *Environmental Assessment Act* (2002) (the former Act) sets out that ministers must consider the assessment report, any recommendation accompanying the assessment report, and may consider other matters that they consider relevant to the public interest in making their decision on the Application. Ministers must decide whether to issue an EA Certificate with any conditions they consider necessary, refuse to issue a certificate, or order that further assessment be carried out.

We considered the documents provided by the EAO, including: the Assessment Report; the Summary Assessment Report; the Recommendations of the Chief Executive Assessment Officer (CEAO); the proposed EA Certificate Conditions and Certified Project Description; and the separate submissions from Doig River First Nation, Halfway River First Nation, , Saulteau First Nations, West Moberly First Nations, and the First Nations Independent Technical Review Committee (or FNITR, consisting of Doig River First Nation, Saulteau First Nations, and West Moberly First Nations, in collaboration with McLeod Lake Indian Band).

## 2.0 MINISTERS' CONSIDERATIONS

### 2.1 EAO'S ASSESSMENT

The EAO, in collaboration with the Impact Assessment Agency of Canada (the Agency), and with the advice from the advisory working group and Indigenous groups, reviewed Glencore's Application and provided its detailed findings in the Assessment Report. The EAO also prepared a Summary Assessment Report, which summarized the Project, key issues that arose during the assessment process, the results of the assessment of impacts on valued components, the results of the assessment of impacts to Indigenous groups, and conclusions regarding the EA.

As described in the Assessment Report, the EAO worked closely with provincial and federal ministries and agencies, local governments, and Indigenous groups throughout the EA process to identify issues and seek ways to address issues and concerns, including those raised by the public. The EAO provided a proposed Certified Project Description and 31 proposed EA Certificate Conditions for our consideration.

The EAO concluded that there would be significant adverse and cumulative effects to caribou and that there would be significant cumulative effects to grizzly bear, even considering mitigation measures (including offsets) and the comprehensive subsequent permitting requirements. The EAO also concluded that there would be serious impacts to the Treaty right to hunt caribou for McLeod Lake Indian Band, Sauteau First Nations, and West Moberly First Nations.

### 2.2 RECOMMENDATIONS OF THE CHIEF EXECUTIVE ASSESSMENT OFFICER

The Chief Executive Assessment Officer (CEAO) considered the Assessment Report, the Summary Assessment Report, the proposed EA Certificate Conditions and Certified Project Description in making her recommendations to us. Considering the conclusions of the EAO, she recommended that an EA Certificate not be issued for Sukunka, primarily due to the potential effects on and risks to the Quintette caribou herd and associated serious impacts that Sukunka would have on the Treaty right to hunt caribou for McLeod Lake Indian Band, Sauteau First Nations, and West Moberly First Nations after mitigations and offsetting.

### 2.3 KEY CONSIDERATIONS

The EAO examined whether Sukunka would have adverse environmental, economic, social, heritage or health effects to a wide range of valued components. The EAO identified key residual adverse effects would include impacts to caribou, wildlife, water quality and aquatic biota, fish and fish habitat, human health, vegetation (including wetlands), greenhouse gas emissions, and social valued components. We acknowledge that with the application of mitigation measures and legally binding conditions, the effects to most of these valued components could be partially mitigated.

We agree with the EAO's conclusions that there would be significant adverse residual and cumulative effects to caribou, and significant adverse cumulative effects to grizzly bear. We also agree with the EAO's conclusions that the application of conditions and recommended key mitigation measures are not likely

able to avoid, mitigate, or otherwise accommodate the potential impacts to wildlife or to Indigenous groups to an acceptable level, on which we have elaborated further below. In particular, we would like to emphasize the impacts to wildlife as the key considerations in arriving at our decision.

### *Adverse Residual and Cumulative Effects to Caribou*

The Quintette herd is part of the Woodland Caribou, Southern Mountain population, that has been listed on Schedule 1 of the *Species at Risk Act* (SARA) as Threatened since 2003. In BC, the Quintette herd is part of the Central Group population and has been red listed in BC and assessed as endangered in 2015 by the Committee on the Status of Endangered Wildlife in Canada because of dramatic declines in population over the past decades. The Sukunka project overlaps with the range of the Quintette caribou herd.

Over the course of the EA, provincial and federal caribou policy evolved considerably due to enhanced scientific and traditional knowledge of the state of the Quintette caribou herd. In particular, the federal Minister of Environment and Climate Change determined that southern mountain caribou (including the Quintette herd) were facing imminent threats to recovery and that immediate intervention would be required to allow for the eventual recovery of the species.

In response to the increasing concerns, we recognize that Glencore was responsive to the issues raised and made changes to mine design to minimize disturbance, requested three suspensions to allow for additional analysis and discussion regarding caribou, participated in technical workshops, and proposed a package of offsets intended to demonstrate a net neutral effect to caribou.

Despite the substantial efforts made towards the issues resolution process, which included the EAO hiring a third-party caribou expert and coordinating several technical workshops, we agree with the conclusion that the significant adverse residual effects and cumulative effects to caribou cannot be reasonably mitigated or offset. As proposed, this project currently threatens the existence of the already-precarious Quintette herd and would be contrary to the goal of sustainable development in the area.

### *Adverse Cumulative Effects to Grizzly Bear*

We acknowledge that, while Sukunka itself is not expected to cause a significant adverse effect to grizzly bears, the EAO concludes that there is an existing significant adverse cumulative effect to grizzly bear as current disturbance exceeds provincial management thresholds for population sustainability. Considering the effects from past and existing projects and activities on grizzly bear, and the status of the Hart Grizzly Bear Population Unit whose range overlaps with Sukunka, as well as reasonably foreseeable projects and activities, we agree with EAO's conclusion that cumulative effects to grizzly bear are significant.

### *Impacts to Indigenous Groups Regarding Caribou and Water Quality*

The EAO examined potential impacts of Sukunka on Aboriginal and Treaty rights and interests. The EAO engaged at the deep end of the consultation spectrum with Doig River First Nation, Halfway River First Nation, McLeod Lake Indian Band, Sauteau First Nations, and West Moberly First Nations for the Sukunka EA. We are of the view that the Crown's consultation duties have been satisfied.

We understand that Doig River First Nation, McLeod Lake Indian Band, Sauteau First Nations, and West Moberly First Nations opted to collectively engage with Glencore and the EAO as the First Nations

Independent Technical Review committee, which provided the opportunity for the four Indigenous groups to share resources, conduct research, and provide a shared view, for the most part, of the potential impacts to their Aboriginal and Treaty rights and interests. The main concerns from the First Nations Independent Technical Review committee included impacts to Aboriginal and Treaty rights, impacts to the Quintette caribou herd and water quality, and cumulative effects.

We considered the separate submissions expressing concern about the impacts of Sukunka received from Doig River First Nation, Halfway River First Nation, Sauteau First Nations, West Moberly First Nations, and the FNITR. We acknowledge that McLeod Lake Indian Band sent us a letter of support for Sukunka after the project was referred. We also share the view of the CEO that the application of the conditions in Schedule B and the recommended key mitigation measures are unlikely able to avoid, mitigate, or otherwise accommodate the potential impacts to Indigenous groups to an acceptable level, including the serious impacts on Treaty right to hunt caribou for McLeod Lake Indian Band, Sauteau First Nations, and West Moberly First Nations.

We also share the view of the CEO that the application of the conditions in Schedule B and the recommended key mitigation measures are unlikely able to avoid, mitigate, or otherwise accommodate the potential impacts to Indigenous groups to an acceptable level, including the serious impacts on Treaty right to hunt caribou for McLeod Lake Indian Band, Sauteau First Nations, and West Moberly First Nations. We also note that, while the EAO did not conclude significant effects to water quality and aquatic biota, Indigenous groups emphasized their view to the EAO that Sukunka could have a critical impact on water quality in the area and that there was a risk that community members would stop using the Sukunka River. Due to the cumulative impact of industrial developments on other water bodies in the region, Indigenous groups provided the view that this river is seen as one of the few remaining safe rivers to drink and fish in their traditional territories.

### 3.0 CONCLUSION

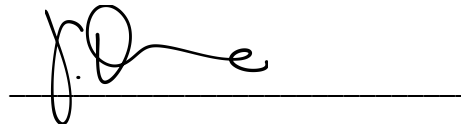
In summary, we believe that the potential adverse and cumulative impacts to caribou and to Indigenous groups are, even with the measures to avoid, reduce or otherwise offset impacts, unlikely able to be mitigated to an acceptable level. We note the serious impacts that Sukunka would have on the Treaty right to hunt caribou for McLeod Lake Indian Band, Sauteau First Nations and West Moberly First Nations, the concerns raised by Indigenous groups regarding the water quality, and the significant adverse cumulative effects to grizzly bear in the region.

We have considered the EAO's Assessment Report, the Summary Assessment Report, the recommended Certified Project Description and conditions of the proposed EA Certificate, Recommendations of the Chief Executive Assessment Officer, and the submissions from Doig River First Nation, Halfway River First Nation, McLeod Lake Indian Band, Sauteau First Nations, West Moberly First Nations, and the FNITR.

Having regard to our responsibilities under the former Act and the Crown obligations to consult and accommodate with Indigenous groups, we are of the view, that the potential adverse effects of Sukunka outweigh the potential benefits. As a result, we have decided not to issue an EA Certificate for Sukunka.



Honourable George Heyman  
Minister of Environment and Climate Change  
Strategy



Honourable Josie Osborne  
Minister of Energy, Mines, and Low Carbon  
Innovation

Signed this 21 day of December 2022