

The Environmental Assessment Office's Assessment of an Application for a Certificate Transfer

VOPAK PACIFIC CANADA PROJECT

REQUESTED BY:

VOPAK DEVELOPMENT CANADA INC.

RIDLEY ISLAND ENERGY EXPORT FACILITY GP INC., ON BEHALF OF RIDLEY ISLAND
ENERGY EXPORT FACILITY LIMITED PARTNERSHIP

DECEMBER 21, 2023

PURSUANT TO SECTION 33 OF THE ENVIRONMENTAL ASSESSMENT ACT, S.B.C. 2018, C.51



EAO

Environmental
Assessment Office

1.0 OVERVIEW OF PROPOSED TRANSFER

Project Background

On April 20, 2022 the Minister of Environment and Climate Change Strategy and the Minister of Energy, Mines and Low Carbon Innovation issued an Environmental Assessment Certificate #E21-01 (Certificate) to Vopak Development Canada Inc. to construct and operate the Vopak Pacific Canada Project (the Project), a bulk liquids tank storage facility located on Ridley Island approximately 1.6 kilometres (km) west of Port Edward and 10.5 km south of Prince Rupert, British Columbia. The facility is to be constructed on federal lands and designed for the storage of liquified petroleum gas (e.g., propane, ethane, butane), methanol, light diesel and/or gasoline.

The provincial environmental assessment of the project began in 2018 and was conducted under the 2002 *Environmental Assessment Act*.

Transfer Application

On April 4, 2023, Vopak Development Canada Inc. (Vopak) and AltaGas Ltd. (AltaGas) registered a transaction agreement for a joint venture for the development of the Project by the Ridley Island Energy Export Facility Limited Partnership. Vopak and AltaGas each own 50 percent of the Project. AltaGas is going to be responsible for leading the development and operations of the Project.

The transaction agreement necessitates the need for a transfer of the Certificate under Section 33 of the *Environmental Assessment Act* (2018) (the Act). On November 6, 2023 Vopak Development Canada Inc. requested a transfer of the Certificate (Transfer Application) to Ridley Island Energy Export Facility GP Inc., on behalf of Ridley Island Energy Export Facility Limited Partnership (REEF).

2.0 TRANSFER REVIEW PROCESS

The Environmental Assessment Office (EAO) determined the proposed transfer of the Certificate to REEF (new Holder) was administrative in nature to allow the Certificate to be held by the new owner of the Project.

Agency Engagement

On November 20, 2023, the EAO inquired whether the interests of the following local and provincial agencies may be impacted by the Transfer Application. The EAO also provided notification to federal government agencies:

- District of Port Edwards;
- North Coast Regional District;
- Ministry of Energy, Mines and Low Carbon Innovation;
- Ministry of Environment and Climate Change Strategy, including the Climate Action Secretariat;
- Canadian Coast Guard;
- Environment and Climate Change Canada;
- Health Canada; and,
- Transport Canada.

The EAO's notification stated that the transfer was considered administrative in nature and invited comments by December 11, 2023 from local and provincial government agencies. The EAO received no comments from local, provincial and federal government agencies.

3.0 FIRST NATIONS CONSULTATION

The EAO and Vopak/AltaGas engaged with the following First Nations with respect to the Transfer Application:

- Gitga'at First Nation;
- Gitxaala Nation;
- Kitselas First Nation;
- Kitsumkalum First Nation;
- Lax Kw'alaams Band; and,
- Metlakatla First Nation.

In early April 2023, Vopak and AltaGas met with five of the six Nations following the public announcement of the Joint Venture, sharing information on the Joint Venture and plans for the next year on progressing the Project forward. They were not able to schedule a meeting with Gitga'at First Nation. However, they provided an email update and discussed the matters further once a meeting was arranged in September 2023.

Feedback received from the First Nations during the April 2023 meetings included:

- Interested in understanding timing of the project to move forward;
- Concerned about the commitments made by Vopak to First Nations;
- Interested in the continuity of the Vopak team going forward; and,
- Interested in any potential changes to the project.

As outlined in its Transfer Application, AltaGas reassured the First Nations that commitments made by Vopak would be upheld by the joint venture and discussions would continue with team members who are continuing with the Project. AltaGas also committed to keeping the First Nations informed about pending changes and would follow up with further engagements in September 2023.

AltaGas informed the EAO in a meeting on December 5, 2023, that they have been having ongoing engagements with the First Nations listed above.

The EAO has been engaging with the First Nations during regular meetings on all the projects being planned or developed in the Northwest part of British Columbia.

On November 20, 2023, the EAO formally notified the above First Nations of the Transfer Application and requested comments by December 11, 2023. The EAO received emails from Kitselas First Nation on November 21, 2023, and Kitsumkalum First Nation on November 22, 2023. Both First Nations indicated that they had no concerns with the transfer of the environmental assessment certificate. No other First Nations responded to the EAO's email asking if they had any concerns or issues with the Transfer Application.

The EAO did seek clarity on how the new Holder plans to address concerns from First Nations with respect to previous commitments made by Vopak to First Nations. The new Holder responded that a transfer agreement was executed between Vopak and the new Holder on November 10, 2023, for contractual agreements made between Vopak and First Nations. The transfer agreement was shared by the new Holder with the appropriate First Nations on November 10,

2023. As such, the EAO understands that the commitments and contractual agreements made by Vopak with First Nations would be carried out by the new Holder.

4.0 SUMMARY OF ISSUES AND MATTERS UNDER SECTION 25 OF THE ACT

While the proposed transfer is to REEF, as the new Holder of Environmental Assessment Certificate #E21-01, there are no changes proposed to Vopak or the conditions of the Certificate. The EAO is satisfied that the proposed transfer would not result in adverse environmental, economic, social, cultural and health effects, as after the transfer REEF would be fully responsible for implementation of, and compliance with, the Certificate. The Certificate transfer is not expected to result in any effects beyond what was assessed in the original environmental assessment for Vopak.

The EAO considered the matters under Section 25 of the Act in its review of the Transfer Application. The proposed transfer is administrative in nature and is not anticipated to result in any changes to:

- Effects to Indigenous nations and rights recognized and affirmed by Section 35 of the *Constitution Act (1982)*;
- Positive and negative direct and indirect environmental, economic, social, cultural and health effects as well as adverse cumulative effects;
- Risks and uncertainties associated with those effects, including the results of any interaction between effects;
- Risks of malfunctions or accidents;
- Disproportionate effects on distinct human populations, including populations identified by gender;
- Effects on biophysical factors that support ecosystem function;
- Effects on current and future generations;
- Consistency with any land-use plan of the government or an Indigenous nation if the plan is relevant to the assessment and to any assessment conducted under Section 35 or 73;
- Greenhouse gas emissions, including the potential effects on the province being able to meet its targets under the *Climate Change Accountability Act*;
- Potential changes to the Vopak Project that may be caused by the environment; and,
- Other prescribed matters.

Based on the limited feedback received from two First Nations and no comments being raised by the Local, Provincial, or Federal government agencies identified above, the EAO considers that matters under Section 25 of the Act would not be impacted by the proposed transfer.

5.0 CONCLUSIONS

Based on:

- The information contained in the Transfer Application; and,
- The EAO's and Vopak's/AltaGas's engagement with Indigenous nations.

The EAO is satisfied that:

- The proposed transfer would not materially change the potential effects of the Project identified during the Environmental Assessment;

- The information and commitments contained in the Transfer Application, including that the new Holder would be fully responsible for implementation of, and compliance with, the Certificate, adequately identified the issues and conditions arising resulting from the proposed transfer;
- Engagement with the Gitga'at First Nation, Gitxaala Nation, Kitselas First Nation, Kitsumkalum First Nation, Lax Kw'alaams Band and Metlakatla First Nation about the proposed transfer has been adequately carried out by Vopak Development Canada Inc. and AltaGas Ltd., and the EAO; and,
- The EAO has engaged with First Nations on the Transfer Application including fulfilling its obligations for consultation and accommodation, where appropriate, relating to the issuance of a transfer for the Certificate.

The EAO recommends to the Chief Executive Assessment Officer (CEAO) of the Environmental Assessment Office, upon consideration of the conclusions in this report and any other relevant factors, that they grant a transfer under Section 33 of the Act to transfer the Certificate from Vopak Development Canada Inc. to REEF. The EAO is recommending that the CEAO grant the transfer with no conditions.