



## **Letter of Understanding**

**Between**

**Great Bear Initiative Society and the Province of British Columbia**

**on**

**Environmental Quality and LNG Developments on the North Coast, and Skills Training & Employment**

The Province of British Columbia (the "Province") has set the goal of having the cleanest liquefied natural gas ("LNG") industry in the world. Pursuant to this goal, Great Bear Initiative Society ("GBI") and the Province entered into a Framework Agreement in August 2013 and subsequently entered into a non-binding term sheet dated January 26, 2015. This Letter of Understanding sets out the major process commitments and understandings in the term sheet having to do with LNG shipping, air shed impacts, greenhouse gas emissions and offsets, renewable energy and skills training and employment. This Letter of Understanding is not intended to create legally binding obligations on any party.

### **LNG Shipping**

The Province has been participating with Transport Canada and other Federal agencies, GBI, GBI Member Nations<sup>1</sup>, and other First Nations in a series of technical dialogues on a number of topics including monitoring impacts, marine waterway management and environmental protection, and emergency response related to LNG and other large vessel shipping in the North Coast region. The goal of these dialogues has been to foster discussion and collaboration among federal and provincial agencies and First Nations, to build trust and forge new partnerships through joint work to enhance and strengthen the marine safety system and coastal stewardship at the regional level, with a focus on anticipated LNG exports. This collaboration has resulted in the compilation of a number of recommended next steps to senior Federal, Provincial and First Nations leaders. The Province will continue to participate to the extent of its authorities in any outcomes of this process.

### **Air Shed Impacts**

The Province agrees on the need to assess potential air shed impacts in Kitimat and Prince Rupert and, as agreed to, the implementation of best available monitoring, management and mitigation measures. A preliminary scoping study on the Kitimat air shed has been conducted and the Province is working with GBI and other

interested parties on a similar study in Prince Rupert.

The Province agrees to take a cautious and adaptive approach to regulatory decision making for air quality and will engage with GBI on the findings of the assessments with respect to air quality emissions and management standards, monitoring arrangements and the establishment of air quality working groups.

### **Green House Gas Emissions**

GBI has advocated for measures to reduce and offset greenhouse gas (“GHG”) emissions and acknowledges that the Province has committed, through the passage of the *GHG Industrial Reporting and Control Act*, to establish a world leading benchmark for GHG emissions for LNG facilities including CO<sub>2</sub> entrained in the natural gas delivered to the facility. It is further understood that the Province requires that in a case where an LNG proponent does not meet the GHG benchmark it must offset this shortfall through the purchase of offset units or credits from GHG reduction projects in British Columbia or by paying funds to the Province to help support investments in clean technologies.

Term sheet commitments and understandings associated with carbon credits have been addressed through amendments to existing Atmospheric Benefit Sharing Agreements, and the creation of new agreements to support regional activities related to land use and marine planning.

### **Renewable Energy**

Building on the Clean Energy Action Plan developed pursuant to the Coastal First Nations Reconciliation Protocol, the Province and GBI will work with BC Hydro to identify clean energy opportunities that may include a portion of LNG electricity requirements that will be served from the BC Hydro grid. The Province and GBI also commit to meet with Canada to discuss the GBI request for a federal loan guarantee for renewable energy projects in the region.

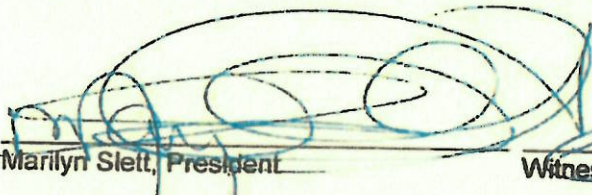
### **Skills Training and Employment**

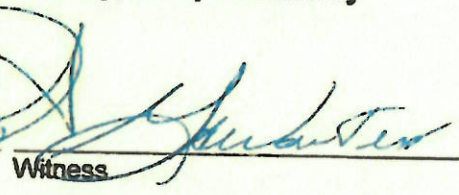
The Province is enabling the development of a Labour Market Partnership (“LMP”) proposal for GBI Member Nations and other north-west coast First Nations. The goal of an LMP is to address labour market issues through partnerships between communities, employers and educational organizations. The LMP would enable the formation of a project steering committee that would bring together organizations, employers and community members to work together to define the issues, establish priorities and develop an action plan to help meet human resource needs for the communities involved.

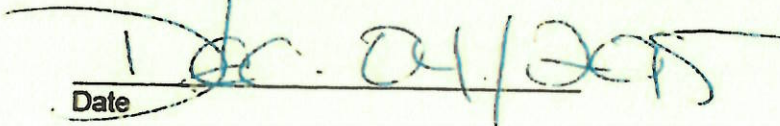
The B.C. government's \$30 million Aboriginal Skills Training Development Fund supports strategies outlined in B.C.'s *Skills for Jobs Blueprint* with the overall goal of increasing the number of Aboriginal people in the provincial workforce by 15,000 over the next 10 years. As part of the implementation of the Aboriginal Skills Training Development Program Fund, the province provided GBI with 1.6 million dollars over 3 years to provide for training in the Stewardship Technicians Training program.

The Province will continue to work with GBI to develop additional skills training and employment proposals related to the Aboriginal Skills Training Development Fund.

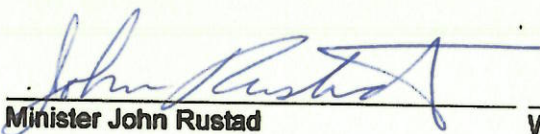
**Signed on behalf of Great Bear Initiative Society, as represented by**

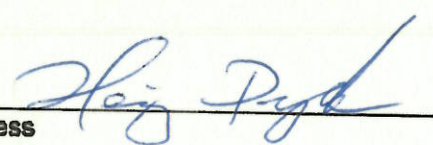
  
Marilyn Slett, President

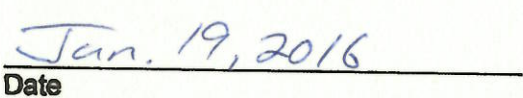
  
Witness

  
Date

**Signed on behalf of Her Majesty the Queen in right of the Province of British Columbia as Represented by the Minister of Aboriginal Relations and Reconciliation**

  
Minister John Rustad

  
Witness

  
Date

**"GBI Member Nations" means any of Gitga'at First Nation, Council of Haida Nation, Old Massett Village Council, Skidegate, Heiltsuk, Kitasoo, Metlakatla, Nuxalk Nation and Wuikinuxv Nation.**