



Douglas L. Stout
Vice President, Market Development
and External Relations

16705 Fraser Highway
Surrey, BC V4N 0E8
Tel: 604-592-7911
E-mail: douglas.stout@fortisbc.com
www.fortisbc.com

July 30, 2018

Hon. George Heyman
Ministry of Environment and Climate Change Strategy
PO Box 9047 Stn Prov Govt
Victoria, BC
V8W 9E2

VIA EMAIL: ENV.Minister@gov.bc.ca

Dear Minister Heyman:

Re: Comments on Environmental Assessment Revitalization

FortisBC delivers approximately 21 per cent of the total energy consumed in British Columbia, the most by any utility in the province. We own and operate two liquefied natural gas (LNG) storage facilities and operate seven hydroelectric generating plants, four of which we own. Our more than 2,200 employees serve approximately 1.1 million customers in 135 communities across BC. In 2016, FortisBC invested over \$407 million in capital expenditures in the province, bringing our gross asset base to \$7.2 billion.

Looking forward, we plan to invest a further \$2.9 billion in capital expenditures over the next five years to help maintain the integrity of our systems and infrastructure and meet customer demand. We are committed to investing in projects that will make life more affordable for British Columbians, improve efficiency, reduce greenhouse gas emissions and drive innovation.

Significant projects included in our capital plan include:

- Lower Mainland Intermediate Pressure System Upgrade (LMIPSU)
- Upper Bonnington and Corra Linn Hydro Facility Upgrades
- Eagle Mountain Pipeline to Woodfibre LNG
- Pipeline Integrity Management Program

In addition to items included in our capital expenditure plan, there are a number of other projects in the planning phase. These include Tilbury Expansion 1B and 2, natural gas for transportation (NGT), renewable natural gas (RNG), wind and solar power energy pilots, power to gas technology, and gas line expansions. By investing in BC natural gas and electricity, we see a long-term opportunity to create sustainable, well-paying jobs across the province.

We take very seriously our obligation to the public and our responsibility to ensure that we deliver safe, reliable energy in an environmentally responsible manner to all of the communities that we serve. We recognize that sound safety and environmental practices make good business sense and, it is what our customers expect of FortisBC. Our employees and contractors are

expected to work safely and to protect their health — along with the health and safety of others — and the natural environment during the course of their work, by following established policies, rules, and procedures. FortisBC supports Government's commitment to revitalizing the Environmental Assessment (EA) process to ensure the legal rights of First Nations are respected, and the public's expectation of a strong, transparent Environmental Assessment process is met.

Public Engagement

FortisBC supports early engagement during the EA process. Our experience undertaking previous Environmental Assessments has demonstrated that early engagement with public and indigenous communities is critical both to ensure the early identification of key issues and inform project design. However, we are also mindful that robust public engagement needs to be balanced against a proponent's ability to amend project design. For example, many of our gas lines are constrained by existing rights of way or facility sites. This pre-existing infrastructure places limitations on our ability to change a project design in response to public engagement. As such, we advocate for a process that balances the need for early and robust public consultation against the ability to amend project design.

Holding additional public engagement throughout the EA process is also acceptable as a proponent. An EA process that identifies and surfaces issues early on should be sought. We also advocate for a process that provides a clear inventory of concerns voiced by the public and proponent responses (such as proposed environmental mitigations). Through this record and comment tracking, it can be clearly determined which subjects have been resolved and which issues remain open for more in depth review.

The Readiness Gate is a feature that — if designed in a clear manner and applied consistently — can communicate the key issues to address within a project's design. To achieve this, the structure of the Readiness Gate should eliminate the opportunity for an amendment loop wherein the project's readiness is repeatedly challenged, especially when key issues could be resolved at later stages within the details of a fully developed application. If specific criteria that reject a project are established, then a proponent's ability to satisfy the criteria and proceed through the EA process can be transparent and achievable.

The funding model for public engagement and indigenous community involvement will be critical. Legislated funding and fee models are favorable as a means to establish certainty for proponents throughout the EA process. Clarity on financing ensures a clear path for project planning, and that indigenous nations are able to work with proponents in timely and meaningful manner by eliminating the need for communities to have to negotiate a capacity funding agreement with proponents for every project. FortisBC supports Government's proposal to have capacity funding administered by an independent body such as the Environmental Assessment Office (EAO).

Certainty & Timeliness

FortisBC believes that the administration and leadership of EAs should be conducted in a single, unified design: one project, one process, one decision maker. The discussed option to have a variety of approaches when it comes to who and how an EA is run will likely inhibit the new system's ability to function as intended — with consistency and transparency. For example, we

would highlight the challenge of ensuring consistency and transparency when evaluating linear projects that cross multiple traditional territories and municipal boundaries.

One goal of this review process is to improve clarity for proponents as to whether projects are reviewable. The ability of the public to request the Minister put a project under EA even if it does not meet existing criteria to trigger a review is incompatible with this goal. Instead, it is preferable to integrate public feedback on what makes a project reviewable into the framework through this initial design phase, as opposed to at the individual project level. Public consultation on regularly informing these criteria could be integrated into the five-year review process to allow timelines to proceed in a predictable manner during environmental assessments.

FortisBC is also supportive of Government's intention to enact a requirement to provide "published reasons for decision." We view this change as promoting an increase in transparency and understanding with regards to the final decision on an EA. However, we encourage government to provide clearly defined legal linkages between the EAO and other cross-Ministry regulatory regimes responsible for permitting once an EA certificate has been granted.

Finally, we understand that it is Government's intention to undertake further consultation as enabling regulations are developed later this year and into next. We see a need for further in-depth dialogue with Government and request to participate as this work unfolds. As well as a need for a robust Environmental Assessment process that promotes transparency, we also need to ensure that projects can efficiently and cost effectively move forward while remaining competitive.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Douglas L. Stout". The signature is fluid and cursive, with a prominent initial "D" and "S".

Douglas L. Stout
Vice President
Market Development and External Relations