

Joint Review Panel Report

GSX Canada Pipeline Project



Table of Contents

Summary	1
1. Introduction	7
1.1 Project Overview and Site Map	7
1.2 Project Ownership	8
1.3 Panel History	8
1.4 Public Review Process	9
1.5 CEA Act Requirements	10
1.6 Participant Funding	11
2. Environmental Assessment Process	12
2.1 Scope of the Project	12
2.2 Purpose, Need and Alternatives to the Project	12
2.3 Alternative Means	15
2.3.1 <i>Alternative Corridors and Routes</i>	15
2.3.1.1 <i>Preffered Route</i>	19
2.3.2 <i>Alternative Marine Construction Methods</i>	20
2.3.2.1 <i>Marine Pipe Lay Operations</i>	20
2.3.2.2 <i>Landfall at Manley Creek</i>	20
2.4 Environmental Effects and Cumulative Effects	21
2.4.1 <i>Baseline Information</i>	23

3.	Environmental Setting	26
3.1	Marine Environmental Setting	26
3.1.1	<i>Marine Physical Environment</i>	26
3.1.2	<i>Marine Biological Environment</i>	27
3.2	Terrestrial Environmental Setting	28
3.3	Socio-Economic Setting	29
4.	Effects On Marine Valued Ecosystem Components	30
4.1	Biodiversity and Ecosystem Considerations	30
4.2	Effects at Landfall and in the Nearshore Marine Environment	33
4.2.1	<i>Horizontal Directional Drilling at Landfall</i>	33
4.2.2	<i>Partial or Full Open Cut</i>	34
4.2.3	<i>Cape Keppel</i>	36
4.3	Effects on Marine Offshore Environment	37
4.3.1	<i>Benthic Communities</i>	37
4.3.1.1	<i>Direct Mortality and Alteration of Habitat</i>	37
4.3.1.2	<i>Reef Effect</i>	39
4.3.1.3	<i>Barrier Effect</i>	40
4.3.2	<i>Fish</i>	42
4.3.3	<i>Marine Birds</i>	42
4.3.4	<i>Marine Mammals</i>	43
4.4	Marine Protected Areas	46
5.	Effects on Terrestrial Valued Ecosystem Components	49
5.1	Ground and Surface Water	49
5.1.1	<i>Changes in Water Quality</i>	49
5.1.2	<i>Changes in Groundwater Flow</i>	50
5.1.3	<i>Changes in Surface Water Flow</i>	52
5.1.4	<i>Effects of Blasting on Water Resources</i>	52
5.2	Fish and Riparian Habitat	53
5.3	Physiography and Soils	54
5.4	Air Quality	55
5.4.1	<i>Local and Regional Air Quality</i>	55
5.4.2	<i>Greenhouse Gases</i>	56
5.5	Vegetation	58
5.5.1	<i>Alteration of Native Vegetation</i>	58
5.5.2	<i>Rare Plant Species</i>	59
5.6	Wildlife	60
5.7	Species of Concern	62
5.8	Environmentally Sensitive Areas (ESAs)	63

6.	Effects on Socio-Economic Conditions	65
6.1	Noise and Visual Aesthetics	65
6.2	Commercial and Recreational Fishery	66
7.	Effects on Physical and Cultural Heritage	67
7.1	Terrestrial Physical and Cultural Heritage	67
7.2	Marine Physical and Cultural Heritage	68
8.	Effects on Traditional Use	69
9.	Cumulative Environmental Effects	71
10.	Accidents and Malfunctions	73
11.	Effects of the Environment on the Project	76
12.	Decommissioning and Abandonment	79
13.	Capacity of Renewable Resources	80
14.	Environmental Compliance, Monitoring and Follow-up	82
14.1	Environmental Compliance and Monitoring	82
14.2	Need for and Requirements of Follow-up	85
15.	Public Comments	86
15.1	Committing to a Fossil Fuel Strategy	88
15.2	Public Consultation Process	91
16.	Conclusions and Recommendations	95
16.1	Conclusions	95
16.2	Recommendations	96

Appendices

<i>Appendix A - Agreement Establishing the Joint Review Panel</i>	105
<i>Appendix B - Panel Member Biographies</i>	115
<i>Appendix C - Hearing Order / Directions on Procedure</i>	117
<i>Appendix D - Panel Rulings</i>	139
<i>Appendix E - List of Intervenors</i>	206
<i>Appendix F - List of Abbreviations</i>	215
<i>Appendix G - Public Consultation by the Panel</i>	218
<i>Appendix H - Acknowledgements</i>	220

Figures

<i>Figure 1 - GSX Canada Pipeline Project Site Map</i>	6
<i>Figure 2 - GSX Canada Pipeline Project Potential Pipeline Corridors</i>	16

relatively level, wooded parcel of land, where it ends at the existing Centra West Shawnigan Meter Station near Renfrew Road, south of Duncan.

Included in the pipeline design are:

- mainline block valves located just landward of the Vancouver Island shoreline and at an intermediate point between the landfall and the Centra interconnection;
- a line block valve/blow off assembly, an excess flow control valve, a check valve, a separator, pig receiving equipment, liquid handling/storage equipment and Multiple Address System radio equipment (including a free standing tower approximately 44 m in height) located at the Centra interconnection;
- a Supervisory Control and Data Acquisition system linking the above facilities to control centres;
- permanent access roads, communications system and power supply as may be required to service mainline valve sites and other pipeline facilities; and
- various temporary construction workspace, equipment laydown areas, and access roads.

The terrestrial right-of-way (ROW) would consist of a 16 m permanent easement, with 7 m of additional temporary workspace and extra temporary workspace where required. The marine portion of the pipeline would consist of a 10 m wide ROW.

The Project (i.e., the Canadian pipeline excluding the US portion and any gas-fired electrical generation facilities) has an estimated capital cost of approximately \$139.3 million CDN and is scheduled to be in service in October 2005.

1.2 Project Ownership

The Georgia Strait Crossing Project (Canada and US portions) is jointly sponsored by British Columbia Hydro and Power Authority (BC Hydro) and Williams Gas Pipeline Company (Williams). The Canadian portion would be constructed and operated by Georgia Strait Crossing Pipeline Limited (GSX PL) on behalf of GSX Canada Limited Partnership (GSX Canada LP). BC Hydro has a 98 per cent interest in GSX Canada LP and Williams has the other 2 per cent interest. The US portion would be constructed and operated by Georgia Strait Crossing Pipeline LP owned by Williams. The effect of the ownership structure is that the combined Canadian and US portions of the pipeline would be owned approximately 50 per cent by BC Hydro and approximately 50 per cent by Williams.

1.3 Panel History

Following the filing of a preliminary submission by GSX PL on 7 March 2000, the National Energy Board (NEB or the Board) solicited public comments on the environmental assessment and regulatory review process. On 4 October 2000, the Minister of the Environment, the Honourable David Anderson, pursuant to his authority under the *Canadian Environmental Assessment Act* (CEA Act), announced that the Project would be sent to an independent environmental assessment review panel.

GSX PL filed its application for a Certificate of Public Convenience and Necessity (Certificate) pursuant to section 52 of the *National Energy Board Act* (NEB Act) on 24 April 2001.

The Minister of the Environment referred the environmental assessment of the Project to a Joint Review Panel and a draft agreement between the NEB and the Minister of the Environment concerning the review of the Project was released for public discussion and comment in May 2001. The primary purpose of the agreement was to coordinate the environmental assessment required under the CEA Act and NEB Act by providing for a review of the environmental effects likely

to result from the Project and the appropriate mitigation measures. The agreement was finalized and released on 20 September 2001 (Appendix A). The members of the Joint Review Panel (the Panel) are Ms. Elizabeth Quarshie (Chair), Mr. Rowland Harrison, and the Honourable Bryan Williams, Q.C. Biographical information on each of the Panel members is provided in Appendix B.

The mandate of the Panel was to act as a joint review panel under the CEA Act to make recommendations to the Minister of the Environment and as a NEB panel under the NEB Act to consider all matters relevant to the application for a Certificate, under section 52. The Terms of Reference under the agreement outlined the scope of the review and listed the factors to be considered during the review under the CEA Act. The Agreement acknowledged that other factors may be considered under the NEB Act.

The Panel was charged with reviewing the environmental effects of the Project and the appropriate mitigation measures and setting out its rationale, conclusions and recommendations, including any mitigation measures and follow-up programs in the Joint Review Panel Report. This Report also provides a summary of comments received from the public. This Report will be submitted to the Minister of the Environment, who is responsible for forwarding it to all federal Responsible Authorities, for the preparation of the government response. Once this Report is submitted and the government response has received Cabinet consideration, the work of the Panel, under the CEA Act, is complete. However, the Panel's work under the NEB Act continues. The Panel must await the government response to the Report and take this into consideration before making any decision under the NEB Act.

1.4 Public Review Process

The mandate of the Panel, included conducting a review of the environmental effects of the Project, as set out in its Terms of Reference. To assist the Panel in its examination of the Project, public information and consultation sessions were held. Panel staff hosted information sessions on Vancouver Island and the Gulf Islands with First Nations and other public groups during the week of 22 October 2001. The purpose of these sessions was to provide information on how to participate in the public review process for the Project. An additional session was held on 23 February 2003, prior to the commencement of the oral public hearing to further explain participation in the hearing process.

On 9 November 2001, the Panel issued Hearing Order GH-4-2001 setting out the Directions on Procedure to be followed for the hearing of the application by the Panel (Appendix C). A List of Issues was released at that time for public comment. The List of Issues was subsequently finalized in the Panel's decision letter of 31 May 2002 (discussed below), following public consultation sessions held by the Panel in British Columbia in January 2002 (Appendix D). These sessions allowed interested organizations, groups and individuals to inform the Panel of the range of issues they thought the Panel should address during the review.

Some Intervenor asked the Panel to include in the List of Issues the environmental effects of the emissions resulting from the combustion of the gas to be transported by the Project, while other Intervenor focused on the environmental effects of the emissions that would result from the burning of the gas at the existing Campbell River cogeneration facility (ICP) and the proposed new generation facility called the Vancouver Island Generation Project (VIGP), now proposed to be located at Duke Point near Nanaimo, BC. These two facilities, GSX PL submitted, would receive the gas to be transported by the Project. As a result, the Panel decided to receive written argument and