

## **LNG Environmental Stewardship Initiative Proposed Demonstration Project Proposal**

### **Context:**

The proposed outcome of the LNG Environmental Stewardship Initiative (LNG ESI) is a lasting mechanism to enhance the ability of First Nations, the Province and the LNG pipeline and facility industry to address strategic environmental priorities in the North. These priorities are often beyond the scope of any single regulatory or consultation process (e.g. an individual gas transmission pipeline) and could benefit from a sustained venue and funding mechanism focused on generating trusted information.

In October, Four Directions Management Services (FDMS) released the summary report detailing the outcomes from the first phase of collaborative development of the LNG ESI. The report highlighted a key priority to “*implement immediate projects.... to show that the concept can evolve to meet the...needs of [First Nations, the LNG pipeline and facility proponents, the Provincial and Federal governments]*”. To this end, the Province has been considering proposals for a series of LNG ESI demonstration projects to discuss through the LNG ESI collaborative development process.

This discussion paper presents some preliminary criteria to guide regionally based discussions, respecting the scope and parameters of LNG ESI demonstration projects. It also suggests a broad theme for projects that are consistent with the strategic environmental priorities that First Nations have emphasized to date. The Province feels that it will be critical for these initial projects to be supported by all the engaged parties so that the LNG ESI is successfully developed.

### **Proposed Criteria for Determining Demonstration Projects:**

The LNG ESI Concept Paper (May 6<sup>th</sup>, 2014) initially proposed four elements for LNG ESI project development: ecosystem monitoring and assessment, restoration, research and stewardship education/training. Based on these elements and the overall collaborative development process, the following draft criteria may support discussions to determine the scope and parameters of demonstration projects:

- LNG ESI projects should avoid duplication or conflict with any element of the Environmental Assessment or Oil and Gas Commissions regulatory conditions for gas transmission pipelines, LNG facilities or ongoing natural gas extraction;
- LNG ESI projects could be undertaken at scales beyond specific projects and focus on landscape or regional scales potentially equivalent to traditional territories or ecological units;
- LNG ESI projects could span long-term time periods (e.g. 5 years) to generate trends and baseline data;
- LNG ESI projects could create accessible and transparent information for multiple First Nations and parties; and
- LNG ESI projects could address environmental issues beyond the scope of natural gas development activities (e.g. pipelines) and focus on broad landscape issues.

**Proposed Demonstration Projects Themes:**

Four demonstration projects are proposed – one in each of the LNG ESI workshop areas (Prince Rupert, Smithers, Prince George and Fort St. John). The projects would be informed by the initial concepts presented in the May 6<sup>th</sup> 2014 LNG ESI Concept Paper and refined by First Nation interests expressed to date.

The FDMS report suggests that initial demonstration projects could focus on assessment and monitoring as a theme across the four regions that would be supported by two types of projects:

1. Collaborative Development of Values for Cumulative Effects Assessment and Monitoring:
  - Identification and incorporation of environmental values related to treaty and aboriginal rights into Provincial cumulative effects assessment and monitoring processes;
  - Consideration of Federal/Provincial collaboration on cumulative effects monitoring projects;
  - Research and data acquisition to support the assessment of values, focusing on the development of common, trusted sources of information;
  - Design of approaches to assess identified values, including desired conditions of values to inform risk assessments;
2. Environmental Monitoring and Training:
  - Developing a training program to support First Nations in building capacity in environmental monitoring;
  - Developing a long-term monitoring framework for environmental values within and adjacent to pipeline corridors that complements regulatory monitoring requirements;
  - Developing monitoring frameworks that support the cumulative effects assessment developed under LNG ESI demonstration projects;

**Demonstration Project and Governance Development and Implementation Process:**

The FDMS report suggests that development and implementation of LNG ESI demonstration projects occurs in parallel to the broader LNG ESI governance structure. The Province supports this recommendation and is proposing to establish four ‘Regional Stewardship Forums’ that would undertake these two distinct discussions.

The parameters and scope of the LNG ESI demonstration projects would be determined through engagement at ESI Regional Stewardship Forum meetings, which would include representation from First Nations’ leadership, LNG pipeline and facility proponents, and the Province. Once the parameters and scope of the demonstration projects are determined and reflected in a regional level agreement (e.g. Terms of Reference), technical sub-committees could be established to undertake detailed project planning and implementation.

The Forums are intended to facilitate LNG ESI development at the regional level with First Nations. In the short term, the Forums will provide the venue for collaborative design of the LNG ESI governance model. Supported by a contracted facilitator, these groups would be actively engaged in designing the terms of reference, regional strategic direction, project funding criteria model, and other components necessary for full governance and accountability.