

March 31, 2017

Expert Panel NEB Modernization – Submitted via e-mail:
NRCan.NEBModernization-ModernisationONE.RNCan@canada.ca.

Re: Expert Panel National Energy Board Modernization

Dear Panel members:

The BC LNG Alliance (BCLNGA) comprises eight of BC's leading liquefied natural gas (LNG) project proponents with proposed projects located in Delta, Squamish and in northwest British Columbia (BC). The BCLNGA's purpose is to support the efficient and responsible development of a globally competitive and environmentally sustainable BC LNG industry.

Canada's LNG sector can play a key role in meeting increasing global demand for natural gas, and aid in Canada's role as a global climate leader. The demand for cleaner energy can either be provided by British Columbia, with one of the world's most stringent environmental regulatory frameworks, or by jurisdictions with weaker climate policies outside of Canada. Fostering the development of LNG is also a historical opportunity to work with Canada's Indigenous people to build a sustainable industry that integrates traditional knowledge and creates local and regional prosperity. Per the Conference Board of Canada¹, the LNG sector, based on a 30 million tonnes per annum (mpta) LNG industry, will contribute more \$7.4 billion annually to Canada's GDP and support 65,000 jobs per year. Indigenous people and local communities in proximity to the LNG projects will receive a substantial share of these benefits.

The BCLNGA appreciates the opportunity to submit comments to the Government of Canada through the "National Energy Board (NEB) Modernization Expert Panel". The Government of Canada should take global market realities into consideration and ensure there is a competitive regulatory framework in place. As outlined by the World Bank in their *2016 Doing Business*² report, countries such as the US, Norway and Australia, competing jurisdictions for oil and gas investment, have developed regulatory frameworks that rank higher in efficiency than Canada's. The BCLNGA is supportive of a regulatory regime that provides predictability, efficiency and effectiveness, and much-needed cost certainty for industries wanting to maintain and/or expand their investment in Canada.

¹ [A Changing Tide: British Columbia's Emerging Liquefied Natural Gas Industry](#), Conference Board of Canada, February 2016

² The World Bank: 2016 Doing Business Report – www.doingbusiness.org

Recommendations:

The BCLNGA reviewed the 12 discussion papers posed by the Expert Panel and highlights several observations and recommendations of particular relevance to our business.

- *Governance, regulatory mandate and determining the public interest:*
 - The BCLNGA advocates that the focus of the NEB review be on clarifying regulatory, legal and decision-making processes, adherence to these processes, and enhancing regulatory certainty and predictability.
 - We believe a modernized NEB should continue to provide one-window for the public and industry, allowing for effective, efficient and consistent regulatory delivery through all stages of a project, similar to the BC Oil and Gas Commission.
 - Policy clarity must be established upfront to enable all concerned to know what is acceptable and how to achieve requirements. The regulatory decision-making process should not be used to create or consult on new policies. The Board should continue as an arms-length, objective agency that executes government policy.
 - Acknowledgement of the Canadian Environmental Assessment Act (CEAA) process in a manner that continues to enhance confidence and avoids regulatory overlap. We are aware of other federal Acts that are under review and encourage the NEB to continue to ensure clear jurisdiction and agency coordination, while minimizing any duplication. Similarly, the regulatory processes of the NEB, Transport Canada and the Canadian Coast Guard, specific to marine aspects of LNG, should proceed in a compatible manner.
- *Decision-making role on Projects:*
 - The BCLNGA acknowledges that the “*NEB assesses export license applications to determine if the volume applied for proposed export is surplus to Canadian requirements.*” We support the NEB’s practice of considering export licenses by way of a written process that allows interested parties to submit comments, as part of its decision-making process, and setting the term of the export license to a maximum of 40 years. To this end, the export of Canada’s surplus natural gas as LNG to countries seeking to reduce their dependence on coal is one of the most significant environmental contributions that Canada can make to reduce global greenhouse gas emissions³.
- *Indigenous engagement, reconciliation and consultation:*
 - The BCLNGA recognizes the UN Declaration on Rights of Indigenous Peoples (UNDRIP) as a framework for reconciliation in Canada. The

³ US DOE, May 2014 – LCA of Natural Gas Extraction and Power Generation, National Energy Board of Canada – LNG Energy equivalents, Environment Canada – Summary of Canadian 2013 GHG Emissions.

BCLNGA supports the implementation of its principles in a manner consistent with the Canadian Constitution and law.

- Early engagement with Indigenous people can mitigate potential project impacts and result in improved projects. Clarifying the Crown's "Duty to Consult" and the role of various agencies (e.g., CEAA, NEB, Fisheries and Oceans, etc.) would be very helpful in this regard. The BCLNGA believes that the NEB can address specific project related impacts through conditions attached to any project approval.
- BCLNGA recommends that appropriate timelines and coordinated entry points for consultation be defined to support all parties.
- *Public participation and funding:*
 - BCLNGA agrees that public confidence in the regulatory processes is vital to our industry, and advocates for early engagement of those directly impacted by proposed projects. In certain circumstances, the BCLNGA recognizes that to facilitate effective engagement with a directly impacted person, NEB funding may be required. The process to obtain funding should be transparent and administratively simple so it is not an impediment to a directly impacted person and does not introduce unnecessary application review delays.

Conclusion:

Having a predictable, timely and transparent NEB regulatory processes combined with the rule of law should be attractive to global business. Public trust provides the necessary foundation on which to build energy infrastructure that protects the environment and benefits all Canadians. The price of an inefficient or ineffective regulatory process could result in lost opportunities for Canada. This has, and will continue to have, real impacts on jobs and prosperity for all Canadians. Capital mobility means that investments in Canadian LNG projects are dependent on fiscal competitiveness, which is impacted by regulatory certainty and predictable timelines. Improvements in any regulatory process in Canada, including the NEB's, can only serve to improve global competitiveness.

The BCLNGA thanks you for the opportunity to provide comments and looks forward to continued meaningful dialogue and consultation with Natural Resources Canada on the NEB Modernization.

Sincerely,



David Keane
President and CEO
BC LNG Alliance

cc: Honourable Rich Coleman, Minister of Natural Gas Development, Province of British Columbia

BC LNG Alliance Board of Directors