

**Mackenzie Valley** Environmental Impact Review Board

EA03-005  
MVEIRB to RA  
re: Jan 24 meeting  
Synopsis - Jan 24

January 25, 2005

Fraser Fairman  
Indian Affairs and Northern Development Canada  
YELLOWKNIFE, NT

Laura Van Ham  
National Energy Board  
CALGARY, ALTA

Re: Proposed Changes to Recommendations: EA03-005

Dear Mr. Fairman and Ms. Van Ham,

During the meeting between staff (and legal counsels) of Environment Canada, DFO, DIAND, GNWT, NEB and the Review Board on January 24, 2005, the Review Board staff encapsulated the following draft changes to the Proposed Modifications to Recommendations for EA03-005, Paramount Cameron Hills Expansion Project. While these changes reflect general agreement in most cases as to wording, no final decisions have been made by the Review Board, the DRA or RM's.

This document is for information purposes only. Wording changes from original recommendations or previously proposed modifications are underlined. Please ensure that all the authorities involved in the Consult to Modify receive a copy of this document for consideration. The Review Board will be considering these proposed changes on January 31, 2005. If you have any additional comments on or changes to the attached, please provide them to Alistair MacDonald by January 27, 2005.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Alistair MacDonald".

for: Mary Tapsell

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**EA03-005: Paramount Cameron Hills Consult to Modify – Proposed Changes**  
**January 24, 2005**

**Without Prejudice**

A meeting between staff (and legal counsels) of Environment Canada, DFO, DIAND, GNWT, NEB and the Review Board on January 24, 2005 developed the following draft changes to the Recommendations for EA03-005, Paramount Cameron Hills Expansion Project. No final decisions have been made by the Review Board, the DRA or RM's. This document for information purposes only. Wording changes from original recommendations or previously proposed modifications are underlined.

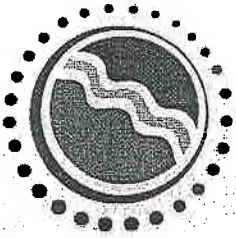
**R-2 Original Recommendation**

*The Review Board recommends that Paramount prepare a report within 12 months and thereafter, annually, until the developments on the SDL are abandoned and restored, for distribution in plain language to the parties in this EA. This report will outline the implementation status of each commitment made during the course of this EA, as set out in Appendix A.*

**Proposed Modification**

The Review Board recommends that Paramount prepare an annual report in plain language, until the developments on the Cameron Hills SDL(s) and PL(s) are abandoned and restored that outlines the status of compliance with commitments Paramount made during the course of this EA. In the event of non-compliance, the report will provide a plan for achieving compliance or detail as to why compliance cannot be achieved. Paramount will submit the annual report to appropriate regulatory agencies and make it readily available to the Parties to the EA and the public through distribution media approved by the NEB.





## **Mackenzie Valley** Environmental Impact Review Board

### **R-3 Original Recommendation**

*The Review Board recommends that prior to the issuance of any further licenses or permits Paramount install a meteorological station (at minimum must monitor wind speed, wind direction and temperature) in the Cameron Hills SDL to gather baseline data related to its development.*

*Meteorological data will be provided annually to air quality staff of GNWT-RWED and Environment Canada along with a detailed re-modeling of Paramount's various development scenarios to ensure onsite meteorological conditions are reflected in the modeled outputs.*

### **Proposed Modification**

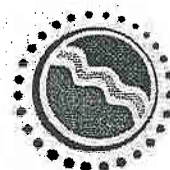
The Review Board recommends that Paramount install and begin operation of meteorological monitoring equipment in the Cameron Hills SDL(s) & PL(s) (at minimum must monitor and record wind speed, wind direction, standard deviation of wind direction and temperature on an instantaneous, continuous basis). The purpose of the monitoring equipment is to provide on-site meteorological information for inclusion in subsequent re-assessments (dispersion modeling) of facility emissions as well as on-going tracking and assessment of air pollution episodes should they occur. Following regulator approval of sufficient meteorological data collection, Paramount will undertake a detailed re-modeling of the various development scenarios to ensure on-site meteorological conditions are reflected in the modeled outputs. Meteorological data and re-modeled development scenarios will be provided to appropriate government agencies. Remodeled development scenarios will also be made readily available to the Parties to the EA and the public, through distribution media approved by the NEB. The requirement to maintain and report on-site meteorological monitoring will be reviewed on a regular basis by the appropriate government agencies.

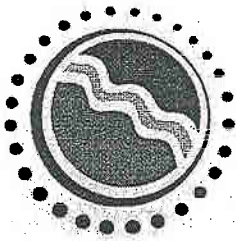
#### **R-4 Original Recommendation**

*The Review Board recommends that Paramount install a continuous gas analysis monitoring system to track ambient air quality (at minimum 1 hour  $SO_2$  and  $NO_2$ ) and provide the data to the general public via website, to be updated no less than monthly if a live connection is not available. Annual reports on the status of the air quality at Cameron Hills will be provided by Paramount to all potentially affected communities and government in a plain language document throughout the life of the Paramount operations at Cameron Hills.*

#### **Proposed Modification**

The Review Board recommends that Paramount install and begin operation of instantaneous, continuous gas analysis monitoring to track ambient air quality (at minimum 1 hour average  $SO_2$  and  $NO_x$  and  $H_2S$  concentrations should be calculated and recorded). Data and plain language annual reports on the status of the air quality at Cameron Hills will be provided by Paramount to appropriate government agencies and made readily available to the Parties to the EA and the public, through distribution media approved by the NEB. The requirement to maintain ambient air quality monitoring will be reviewed on an annual basis by the appropriate government agencies.





## **Mackenzie Valley** Environmental Impact Review Board

### **R-5 Original Recommendation**

*The Review Board recommends that Paramount install an amine fuel sweetening unit at the Central Battery (H-03) location prior to bringing any further wells online or pipe in sweet fuel from outside Cameron Hills, as per Paramount's original development plan.*

### **R-6 Original Recommendation**

*The Review Board recommends that any further combustion engines being installed for line heaters and pumpjacks at the Cameron Hills operation must use the sweetened fuel or an alternate source of no sulphur fuel.*

### **R-5 Proposed Modification (Meant to Combine Intent of R-5 and R-6)**

The Review Board recommends that prior to any new production from the Cameron Hills field, Paramount submit to NEB, for approval, and provide copies to the Parties to the EA and the public through distribution media approved by the NEB, an emission mitigation plan for the Cameron Hills field. The emission mitigation plan will detail:

- A strategy for demonstrating that current and future SO<sub>2</sub> and NO<sub>x</sub> and H<sub>2</sub>S emissions in the Cameron Hills field will not result in exceedences of relevant air quality standards;
- A statement describing Paramount's commitment to minimizing emissions from facilities in the Cameron Hills field;
- A contingency plan for selection of mitigation options to be implemented in the event that SO<sub>2</sub> and NO<sub>x</sub> and H<sub>2</sub>S emissions in the Cameron Hills field result in measured or predicted exceedences of relevant air quality standards, the contingency plan will include
- A comprehensive listing of all the mitigation options (e.g. pollution prevention planning, best management/environmental practices, best available technology, etc.) currently employed and proposed for future options, along with triggers and/or timelines for implementation; and
- The mitigation options considered and rejected, along with rationale for rejection.

Throughout the life of the Cameron Hills field, Paramount should be required to review and update the plan in the event of changes to its field development scenarios or improvements in available mitigation technology.

**R-7**

**Original Recommendation**

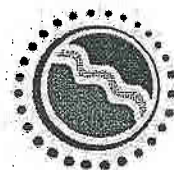
*The Review Board recommends that the Government of Canada (INAC and Environment Canada) and the Government of the Northwest Territories, implement recommendation 7 from the Ranger-Chevron EA by June 2005.*

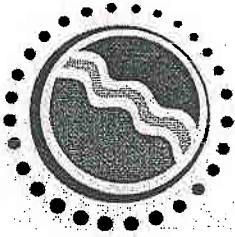
**Proposed Modification**

*(It was generally agreed in the initial consult to modify meeting between staff of the DRA, RMs and the Review Board, that the removal of this measure will be acceptable, as the modified Recommendations R-3, R-4, and R-5 (joining of original R-5 and R-6) now adequately deal with the concern Recommendation 7 was originally mitigating. The Review Board still believes the development of NWT Air Quality Guidelines is important and would like to move this to a Suggestion:*

**Draft Suggestion 7**

The Review Board suggests that the appropriate regulatory and other government agencies work together to finalize enforceable Air Quality Guidelines specific to the Northwest Territories.





## **Mackenzie Valley** Environmental Impact Review Board

### **R-9 Original Recommendation**

*The Review Board recommends that Paramount continue to monitor all work sites for erosion, and take appropriate measures in advance to avoid such problems. The Review Board recommends appropriate erosion mitigation measures be identified in advance and authorized by the NEB and INAC inspectors, and that any remediation of sites be documented and reported to regulators and the Ka'a'Gee Tu First Nation on a quarterly basis.*

### **Proposed Modification**

The Review Board recommends continuous monitoring for erosion by Paramount of all work sites, and the timely implementation of appropriate mitigation and remediation measures. Regulators shall include appropriate permit conditions to prevent and remediate erosion. Paramount shall be required to submit to regulatory agencies and make readily available to the Parties to the EA and the public, through distribution media approved by the NEB, annual reports detailing mitigation or remediation measures taken by Paramount in response to erosion and/or sediment deposits into a waterbody/watercourse. Any deposit of sediment into a waterbody/watercourse shall require Paramount to immediately implement mitigation or remediation measures and notify the appropriate government agencies and the Ka'a'Gee Tu First Nation.

### **R-11 Original Recommendation**

*The Review Board recommends that the Department of Fisheries and Oceans conduct regular site visits to the Cameron Hills to inspect for determine if any impacts to fish or fish habitat. Reports of these inspections must be made publicly available via DFO and also be sent directly to the Ka'a'Gee Tu First Nation, in a plain language version.*

### **Proposed Modification**

The Review Board recommends that the Department of Fisheries and Oceans conduct regular site visits to the Cameron Hills to inspect for, and determine if any impacts to fish or fish habitat have occurred. Reports of these inspections, if not related to an enforcement investigation, must be made publicly available via DFO and also be sent directly to Ka'a'Gee Tu First Nation, in a plain language version.

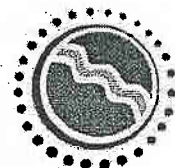
R-12

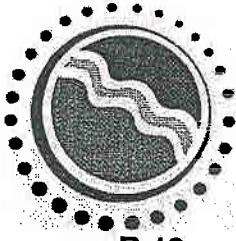
**Original Recommendation**

*The Review Board recommends that RWED will, within the next six months, initiate the formation of a Deh Cho Boreal Caribou Working Group (DCBCWG). The Working Group will, among other things, consider: habitat identification, range plan development, thresholds, monitoring systems, adaptive mitigation, research programs and cumulative effects models. In addition, it will coordinate its activities with similar working groups in Alberta and British Columbia.*

**Proposed Modification**

The Review Board recommends that RWED will, within the next six months, initiate the formation of a Deh Cho Boreal Caribou Working Group (DCBCWG). RWED shall lead the DCBCWG in the development of a Boreal Caribou Management Plan for boreal caribou populations in the southern Deh Cho (south of the Mackenzie River and east of the Liard River) within 18 months. In developing the Boreal Caribou Management Plan, RWED shall ensure that the DCBCWG considers, among other things: habitat identification, range plan development, thresholds, monitoring systems, adaptive mitigation, research programs and cumulative effects models. RWED shall also coordinate the DCBCWG's activities with similar working groups in Alberta and British Columbia; and operate within the framework of recovery planning for Boreal Caribou in the NWT, and develop a Range Plan within the overall Boreal Caribou Management Plan specifically for the Cameron Hills area. RWED shall provide applicable thresholds for the Project to the MVLWB over time based on the outcomes of future research and natural changes to the boreal caribou habitat.





## Mackenzie Valley Environmental Impact Review Board

R-13

### Original Recommendation

*The Review Board recommends that the MVLWB adopt an average linear disturbance target of 1.8 km per km squared as a boreal caribou disturbance threshold for the entire Cameron Hills, NT area, in order to prevent significant adverse environmental impacts on boreal caribou populations whose range includes the Paramount SDL and surrounding area. This shall be considered in all future land use applications for the area.*

**(NOTE: THE PROPOSED MODIFICATION INCORPORATES ASPECTS OF BOTH THE ORIGINAL RECOMMENDATION AND PREVIOUSLY PROPOSED MODIFICATIONS).**

### Proposed Modification

The Review Board recommends that the MVLWB adopt as an interim measure an average linear disturbance target of 1.8 km per km squared as a boreal caribou disturbance threshold for the area encompassed by Ecodistricts 250 and 251 in the Northwest Territories<sup>1</sup>, in order to prevent significant adverse environmental impacts on boreal caribou populations whose range includes the Paramount SDL and surrounding area. The linear disturbance target and other related conditions shall be reviewed annually by MVLWB and appropriate regulatory authorities, and adjusted as necessary, based on the best available scientific information, other advice and project area information including Paramount reports and plans.

Paramount shall submit an annual report to the MVLWB detailing disturbance to boreal caribou habitat resulting from past Project activities and the state of re-growth of disturbances. The annual report shall be similar to proponent reports done in other jurisdictions such as British Columbia or Alberta. Paramount shall also include its plans that may affect boreal caribou habitat for the upcoming year.

**Also discussed was the inclusion of a Suggestion associated with boreal caribou disturbance thresholds:**

#### **Draft Suggestion 8**

To prevent significant adverse impacts to boreal caribou and their habitat, the boreal caribou disturbance threshold in place at the time, as determined by the annual review by MVLWB and appropriate regulatory authorities, should be considered in all future land use applications for Ecodistricts 250 and 251 in the Northwest Territories.

<sup>1</sup> The Review Board asks RWED to input the appropriate legal terminology defining these areas to R-13 and Draft Suggestion 8, as the Review Board does not have access to the appropriate data

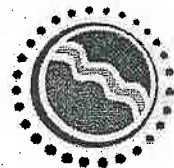
**R-15**

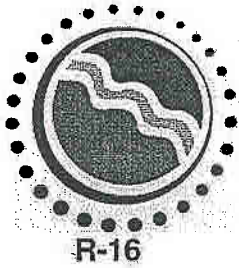
**Original Recommendation**

*The Review Board recommends that Paramount and the other parties to the unfinished Cameron Hills Wildlife and Resources Harvesting Compensation Plan developed in response to measures 13 and 15 of EA01-005 complete the compensation plan. If a compensation plan cannot be completed by these parties within 90 days of the federal Minister's acceptance of this report, this matter will proceed to binding arbitration, pursuant to the NWT Arbitration Act. A letter signed by the parties, indicating agreement to the compensation plan or in the case of arbitration, the arbitrator's decision must be filed with NEB and MVLWB prior to the commencement of Paramount's operations under land use permit MV2002A0046.*

**Proposed Modification**

The Review Board recommends that Paramount commit, in a letter to the Parties to the EA, to compensate Deh Cho First Nations and Metis harvesters for any direct wildlife and resource harvesting losses suffered as a result of project activities, and to consider indirect losses on a case by case basis.





## **Mackenzie Valley** Environmental Impact Review Board

R-16

### **Original Recommendation**

*The Review Board recommends that the GNWT develop a socio-economic agreement with Paramount in consultation with affected communities before operations proceed under the land use permit MV2002A0046. The socio-economic agreement is to address issues such as employment targets, educational and training opportunities for local residents and a detailed ongoing community consultation plan.*

(NOTE: TWO DIFFERENT MODIFICATIONS WERE PROPOSED AT THE MEETING. PROPOSED MODIFICATION 2 APPEARED TO HAVE MORE SUPPORT FROM MOST OF THE RM'S, BUT THAT HAS NOT BEEN CONFIRMED. **REVIEW BOARD STAFF ASKS THE RM'S TO DETERMINE WHICH ONE OR WHETHER BOTH SHOULD BE PRESENTED TO THE REVIEW BOARD FOR FURTHER CONSIDERATION.**)

### **Proposed Modification 1**

The Review Board recommends that Paramount, in its Annual Report submitted pursuant to its Benefit Plan, document its consultation with affected communities regarding steps it will take to improve its performance in the areas of employment targets, educational and training opportunities for local residents and a detailed ongoing community consultation plan. The MVLWB will incorporate the above process into the Land Use Permit and Water License.

### **Proposed Modification 2**

The Review Board recommends that Paramount, in an annual report to the GNWT and the other parties to the EA, shall document its targets and performance in the areas of employment, educational and training opportunities for local residents and a detailed ongoing community consultation plan, and describe the steps it has taken and will take to improve its performance in those areas. GNWT shall lead a review of the annual report with Paramount in collaboration with the other Parties to the EA.

*NOTE: Parties present at the Consult to Modify staff meeting also considered the efficacy of including a letter from the Review Board to DIAND, to consider reviewing the content of current Benefit Plans required under the Canadian Oil and Gas Operations Act (COGOA). Such a review could strengthen harvester compensation and economic benefit planning and in part, avoid future socio-economic impacts and public concern. The Review Board will proceed with this matter outside of this EA.*