



February 9, 2017

Barry Pages, Chair, and
North Coast Regional District Board
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Prince Rupert, British Columbia
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Dear Chair Pages and the North Coast Regional District Board:

We appreciated the opportunity to further discuss the North Coast Official Community Plan (OCP) and the associated Dodge Cove Local Area Plan (LAP) with the North Coast Regional District staff on February 1, 2017. The implications of the proposed North Coast OCP and associated Dodge Cove LAP on the use of provincial Crown land are of significance to several agencies within the provincial government. The Province's ability to determine how to utilize Crown land into the future can have serious consequences on the interests of all British Columbians.

We have a high-level of concern with the amendments to the OCP, which will affect the proposed Aurora LNG Facility Development. The Province takes an integrated approach to LNG development. Several provincial agencies have collaborated to provide this response, including the Ministry of Forests, Lands and Natural Resource Operations, the Oil and Gas Commission, and the Ministry of Natural Gas Development.

We understand the Regional District's consultant for the proposed OCP, initiated referral and consultation efforts with the relevant levels of government; however key consultation with the Ministry of Natural Gas Development, as well as key business lines responsible for LNG facility development within the Ministry of Forests, Lands and Natural Resource Operations did not occur. The LNG facility development is one of the most significant proposed land uses in the area as well as one of the key themes within the OCP and LAP.

The proponent for the Aurora LNG project – Nexen Energy ULC – has indicated they have met with the Regional District several times since December 2014 to discuss the project and community engagement. This included discussion regarding the proposed development's layout and potential conflicts with the proposed OCP and LAP amendments.

The proposed OCP and associated LAP for Dodge Cove provides for Industrial Special Study Areas to “allow for identified projects to continue their environmental, economic feasibility, community consultation and assessment processes.” We are concerned that the OCP may result

in local processes that create redundancies and conflicts with existing provincial and federal assessment and evaluation processes.

Also of significance are the proposed amendments to the policies within the existing Dodge Cove OCP and its boundary expansion. The amendments appear to attempt to prohibit key elements of the proposed LNG facility development, in an attempt to render the project infeasible. In particular we note the expansion of the rural designation to surround the majority of Casey Cove and the expansion of the Rural and Parks, Natural Amenities and Recreation designations to the west of the existing Dodge Cove OCP boundary prohibit the development of access necessary for the proposed Aurora LNG Export Facility.

The Crown is currently undertaking extensive assessment and decision making processes to determine whether or not to authorize the development and operation of the proposed LNG Facility sites identified in the OCP. The Province has entered into Sole Proponent Agreements with the two proponents in Electoral Area A, which provide the proponents with the exclusive right to move forward with the planning necessary to build LNG export infrastructure at their proposed facility sites. The Province has also issued authorizations allowing the proponents to use and occupy Crown land to investigate the suitability of the site for the development of an LNG facility.

The proposed LNG facility projects remain subject to regulatory approval and investment decisions by the proponents. Extensive investigative activities, assessment processes and consultation with local governments, communities and First Nations are still required prior to issuing approvals for either of the proponents to construct and operate an LNG facility. This includes the Environmental Assessment process, which addresses a broad range of environmental, economic, social, health and heritage issues through a single, integrated process. The Environmental Assessment process ensures the issues and concerns of all interested parties and First Nations are considered together, and that a project if it is to proceed, will do so in a sustainable manner.

These projects are at the early stages of the provincial project review processes for major projects and no decisions have been made with regard to the construction or operations of the proposed facilities. The OCP planning process has highlighted some key concerns that the Regional District has with the project. As stated in our recent call, this includes the impact of a proposed road corridor on the community of Dodge Cove's designated watershed. The provincial review processes that the projects are embarking on will ensure that extensive engagement with local government, First Nations and the public occurs and that their concerns and issues along with any potential significant environmental, economic, social, heritage, and health effects are thoroughly considered.

We strongly encourage the North Coast Regional District to deeply engage with provincial agencies through the Environmental Assessment process and additional assessment processes associated with the various permits the proponents will need to obtain to potentially move their projects forward.

We ask that the North Coast Regional District Board ensure its planning process is coordinated with the Province and defer its adoption of the North Coast Regional District OCP and associated Dodge Cove and Oona River LAPs until adequate consultation with the Province has occurred and the Province has completed its assessment and decision making processes on these significant projects.

We are aware the adoption process for the North Coast Regional District OCP and associated LAPs is underway with the public hearing and second and third readings scheduled to conclude by February 17, 2017. Due to this short timeline we request follow-up with the North Coast Regional District by February 10, 2017. Please contact Steven Stüssi, Licenced Land and Resource Planning Specialist, at Steven.Stussi@gov.bc.ca or 250 920-9386 to discuss next steps. If we have not heard back from the North Coast Regional District by February 15, 2017 we will ensure to contact you promptly. We look forward to continuing to work with you on land use in the North Coast.

Sincerely,



Brian Hansen, ADM & Lead Negotiator
Energy & LNG Initiatives
Ministry of Natural Gas Development



Duncan Williams, Executive Director
Tenures, Competitiveness and Innovation Division
Ministry of Forests, Lands and Natural Resource Operations

pc: Tara Faganello, Assistant Deputy Minister, Ministry of Community, Sport and Cultural Development
Meggin Messenger, Executive Director Local Government Division, Ministry of Community, Sport and Cultural Development
Paul Jeakins, Commissioner and CEO, Oil and Gas Commission
Daniel Fish, Corporate Officer, North Coast Regional District
Doug Chapman, Chief Administrative Officer, North Coast Regional District