

Canaport LNG Project

Canaport Community Environmental Liaison Committee (CCELC)

Minutes of Meeting CCELC # 80
Monday, 17 February 2014
Red Head United Church Hall, Saint John, NB
Meeting 6:10 pm –8:45 pm

APPROVED

Committee Present:

- Armstrong, Carol Resident
- Dalzell, Gordon SJ Citizens Coalition for Clean Air
- Debly, Teresa Resident
- Forsythe, Fraser Co-Chair (Canaport LNG)
- McNeil, Pam Resident
- Ryan, Claire Enterprise Saint John
- Silliphant, Craig ACAP
- Thompson, David H. Fundy Baykeeper

Committee Absent:

- Johnston, Jan Resident
- Perry, Yvonne Member
- Smith, Elsie Resident
- Thompson, David Member

Resources:

- Caines, Crystal Fundy Engineering
- O'Brien, Kevin City of Saint John
- Peterson, David Department of the Environment

Observers:

(1) OPENING REMARKS:

The meeting commenced at 6:10 pm with Fraser Forsythe welcoming everyone, including new member Claire Ryan from Enterprise Saint John.

The agenda was approved, with the addition of the news report about Spectra wanting to reverse the pipeline flow.

Review & Approval of Minutes from Meeting #79, 13 January 2014

The minutes of meeting # 79 on 13 January 2013 were reviewed with the following changes:

>Craig Silliphant was not in attendance at the January meeting as indicated on the first page of the minutes; and

>Yvonne Perry was present at the January meeting.

The minutes were moved by Gordon Dalzell and seconded by David Thompson. Motion carried.

Action 80-1: Determine the frequency the minutes are viewed on the Canaport LNG website if possible and report back to the committee

(2) BUSINESS ARISING FROM PREVIOUS MEETINGS

Action 79-1: Provide utilization rates of Terminal at the next meetings.

The following utilization rates were provided by Fraser at the meeting:

2010: 19%

2011: 29%

2012: 15%

2013: 9%.

December 2013: 9.4%

January 2014: 19.4%

(Fraser Forsythe): Canaport LNG was designed as a base load Terminal, but has become a peaking plant and may operate at virtual minimum for nine months. The remaining three months of the year the Terminal will operate at significant output to accommodate winter gas market.

Q1 (Gordon): Why would they design a base load Terminal if there was no demand?

A1 (Fraser): The plant was designed based on the observed situation that North America did not have enough supply to meet growing demand for natural gas from domestic sources. However, by early 2000's, fracking technology had advanced, and it became a more reliable and cost effective means for sourcing domestic gas. Thus by 2007 it is reported that non-conventional gas supply displaced approximately 30% of the domestic gas required in North America, and as a result, became less dependent on imported LNG and regasification.

Q2: How does Canaport LNG know how much gas to produce in the run of a day?

A2 (Fraser) Canaport LNG receives a nomination at 11:00 am for gas production that begins at 11:00 am the next day. Subsequently there are intra-day trading points throughout the day, where the daily nomination can be changed up or down.

Q3 (Carol) Why has the Terminal been flaring lately?

A3 (Fraser): The Terminal began flaring on February 4th at 9:30 and continued until February 5th at 21:00. The Terminal began flaring again on February 15th, and it still flaring at the time of this meeting. The flaring is expected to continue until tomorrow (Feb 18th). The flaring is a result of planned maintenance on the high pressure booster compressor. Additionally, such future maintenance will occur early in the year to avoid bird migration season. The booster compressor is scheduled back in service on February 18th,

Carol Armstrong noted that she saw several thousands of robins flying over Canaport between this meeting and the previous meeting (held on 13 January). David Thompson suggested sending a picture to Jim Wilson for his records.

UPDATES

Department of the Environment Update (David Peterson)

Monthly monitoring reports are submitted to the Department of the Environment and Local Government (NBDELG) within 60 days of the end of each month. The Department reviews the reports, and confirms air and water emissions are within the approved limits. There are no issues with the air and water emissions coming from the site. There was one reportable incident involving a gasoline spill from a plowing contractor in January. Canaport LNG has proved to be diligent in monitoring their contractors. The Department receives a flaring report, which tabulates the flaring occurrences at the Terminal. Flaring is permitted as part of the Terminal's Approval to Operate (ATO). The Department has supported the change to flaring (opposed to a cold vent system) for safety reasons and the reduction of Greenhouse Gas Emissions.

David suggested that the Department was entering a period of fiscal restraint. Gordon Dalzell expressed his concerns relating to the energy related projects on the table, and the coordinated approach across various government agencies that will be necessary. David suggested that there will be involvement from the NBDELG, and they will be a key player in the energy projects and issues.

Q4 (David Thompson): Will the Department be the lead monitoring agency for fracking in NB?

A4 (David Peterson): Using the monitoring of the existing gas wells within the province as an example, there are five governmental departments that participate in these audits. The Department of the Environment has a very small piece of the pie. The existing gas wells have been observed to generate little if any emissions, groundwater impacts, etc. The Department's mandate focuses heavily on air and water quality. There would be more environmental impact when they are actually constructing the wells.

Canaport LNG Update (Fraser Forsythe)

The following key points highlight the Canaport LNG update provided by Fraser Forsythe:

- The last shipment of LNG was several weeks ago. The next shipment date is unknown at this time;
- Maintenance of HP Booster and BOG compressors is being performed at the site, resulting in flaring;
- Very little to no gas demand; and
- Construction of the alternative crude supply line and crude arm on jetty has yet to commence work inside CLNG fence boundary. The contract is still waiting to be signed.

Q5 (Carol Armstrong): Is there hammer drilling occurring at the Terminal?

A5 (Fraser Forsythe): Possible rock breaking with hydraulic hammer associated with work on the alternative crude supply line outside of CLNG Terminal property. Also, Irving Oil is working on fabricating concrete sleepers to put the pipe on. There are ground preparations going on at the Crude Terminal in preparation for the new pipeline to the jetty.

Spectra Energy Announcement:

Gordon Dalzell referenced an article relating to Spectra Energy's announcement of wanting to reverse the pipeline flow from North to South, to South to North.

The details of the announcement can be found on CBC's website at:

<http://www.cbc.ca/m/touch/canada/newbrunswick/story/1.2538819>

Q6 (Gordon): How would that impact the Terminal if the pipeline flow was reversed?

A6 (Fraser): Such reversal may reduce requirements for gas at peak times from the Terminal. Conversely, such reversal might facilitate a supply of gas to supply a liquefaction train.

Q7 (Teresa): Are there any high level discussions on building a liquefaction terminal?

A7 (Fraser): The Terminal operates well as a peak shaving plant. If the pipeline flow is reversed, Canaport LNG would have to analyze the impact and explore opportunities for the Terminal.

Q8 (Teresa): Are Canaport LNG making any money?

A8 (Fraser): Presently, Canaport LNG can cover operational costs operating as a peak shaving plant.

MEMBERS STATEMENT

Gordon Dalzell welcomed Claire Ryan to the committee. Gordon also referenced the Energy East pipeline, and the option the pipeline may end in Quebec as it also has a deep water port and the capacity to build a Terminal.

ADJOURNED:

8:00 pm

NEXT MEETING DATE:

Monday, March 10, 2014 at 6:00 pm

ATTACHMENTS: Table of Action Items

Table of Actions/Responsibilities – 17 February 2014

Action #	Action Item	Responsible Party	Due Date
80-1	Determine the frequency the minutes are viewed on the Canaport LNG website if possible and report back to the committee		10 Mar

MOTION 79-1:

The CCELC requests the chairman to make an inquiry to NBPOWER to:

- 1. Do an analysis of reliability of the electrical infrastructure to determine where the weaknesses may be and the potential impacts during a storm event***
- 2. Any plans in the future for maintenance, upgrades, etc.***
- 3. Analysis of the event that occurred (i.e., power outage)***