

Canaport LNG Project

Canaport Community Environmental Liaison Committee (CCELC)

Minutes of Meeting CCELC # 74
Monday, 25 March 2013
Red Head United Church Hall, Saint John, NB
Meeting 6:05 pm – 8:15 pm

Committee Present:

- Armstrong, Carol Resident
- Dalzell, Gordon SJ Citizens Coalition for Clean Air
- Debly, Teresa Resident
- Forsythe, Fraser Co-Chair (Canaport LNG)
- McNeill, Pam Resident
- Smith, Elsie Resident
- Thompson, David H. Fundy Baykeeper

Committee Absent:

- Brown, Alice Resident
- Hunter, Roger Resident
- Johnston, Jan Resident
- Kumar, Hemant Enterprise Saint John
- Perry, Yvonne Member
- Thompson, David Member
- Turner, Rick Saint John Board of Trade

Resources:

- Caines, Crystal Fundy Engineering
- Norton, Erin Fundy Engineering
- O'Brien, Kevin City of Saint John
- Peterson, David NBDENV

(1) OPENING REMARKS:

The meeting commenced at 6:10 pm with Fraser Forsythe welcoming everyone. The agenda was approved.

Review & Approval of Minutes from Meeting #73, 10 December 2012

The minutes of meeting # 73 on 10 December 2012 were reviewed, and approved with the following revisions:

- Page 6, NBDENV Update: 1 L spill was clarified as being a diesel spill.
- Page 6, NBDENV Update: The following sentence was changed as per the request of Carol Armstrong “*Carol Armstrong said her daughter had heard noised coming from the Crude Terminal*”.

The minutes were accepted with the following changes, motioned by Gordon Dalzell, and seconded by David Thompson.

(2) ACTION ITEMS FROM 10 December 2012 MEETING:

73-1: Fraser to look into the possibility of posting signage that is visible to those using Bayside Drive.

There is currently a small, civic number sign (*i.e.*, 911) that is parallel to the Red Head Road. Canaport LNG will look into erecting another sign perpendicular to Red Head Road so that the civic number can be seen while driving on both the Red Head Road and Bayside Drive.

73-2: Determine if anymore signage will be erected at the end of Irving Road

(Fraser Forsythe) Nothing to report at this time.

73-3: Fraser to look into the request of continuing the cost sharing model for in-field training requirements for the Saint John Fire Department

(Fraser Forsythe) Currently, Canaport LNG is involved in discussions with the Fire Department to support their training requirements within the City.

Gordon Dalzell pointed out that local training wouldn't be the same level of training offered elsewhere (*i.e.*, such as in Texas, which is specific to LNG).

Fraser Forsythe indicated Canaport LNG will take the lead from the Fire Department in determining training requirements. Canaport LNG in participation with other industrial users and the Fire Department are looking into shared-cost facility training for the future.

Q1: (Jan Johnston) Is the gate on the emergency access road locked?

A1: (Fraser Forsythe) The gate is manned from 8:00am to 4:30pm, and after that time, it is locked. There are operators at the Crude Terminal that can release the gate if required.

There were some general comments in respect to the lack of signage that contributed to the confusion that occurred when the Fire Department responded to an incident at the Crude Terminal late in the 2012 year.

(Fraser Forsythe) What signage we have out front is adequate. The Fire Department came to our site. We could have directed them through our site; however, Canaport Crude Terminal had requested that we re-direct them to the emergency access road entrance.

Q2: (David Thompson) What was the nature of the incident?

A2: (Fraser Forsythe) NB Power had planned a power outage that impacted Canaport Crude Terminal and the Canaport LNG Terminal. Upon turning the power back on, there was an electrical malfunction with equipment at the Crude Terminal and the Fire Department was called to the scene. There was no fire. See previous minutes for further details on the incident.

Gordon Dalzell indicated that he was shocked and surprised to learn that the Crude Terminal does not operate under a Certificate of Approval. David Peterson indicated that the Crude Terminal would have Petroleum Product and Storage license and would be required to report under the NPRI. In addition to the above, they would operate under a Terminal Operators Manual approved by Transport Canada.

Q3: (David Thompson) What are the requirements for a Certificate of Approval? What triggers for a facility to have one?

Action 74-1: David Peterson to report the emissions resulting from the Canaport Crude Terminal as was reported to NPRI and report on the requirement for a COA

(3) NEW BUSINESS

NBDELG Update

(David Peterson) The annual Approval to Operate monitoring report was submitted by CLNG, and was reviewed by the DELG. There was no significant environmental impact as a result of the Terminal Operations. The air emissions were extremely low. There was only one water quality issue for the 2012 year, involving high pH values within the sedimentation basin, likely due to low flows and biological processes. There were only two reportable incidents for the 2012 year; both of which were small hydraulic spills. These incidents were not emergency incidents, only reportable. To provide an idea for comparison, Class I facilities would report 30-40 incidents within the first quarter.

Q4: (Gordon Dalzell) Was there an approval to construct issued for the work on the BOG?

A4: (Fraser Forsythe) It was handled under the existing Approval to Operate. BOG work consisted of shutting down the gas lines, relocating the chromatographs, and moving the shelters so that the BOG building could be built. Hydraulic breaking of underlying rock was necessary for some of the preparatory foundation work. The only permit issued was a City of Saint John building permit.

(David Peterson) The Department of the Environment requests notification of changes, but it doesn't necessarily mean an Approval to Construct will be issued. In this instance, there was no significant environmental consequence as a result of the BOG work.

(Fraser Forsythe) The BOG recovery system will reduce the environmental footprint during periods of low send out.

CLNG Site Update

Fraser Forsythe provided an update on the Terminal. Updates on the Terminal include:

- high pressure booster compressor has been received;
- booster compressor has been installed and the motor is being lifted in place;
- the piping modifications are partially complete for the fourth BOG compressor;
- the BOG compressor is still with the manufacturer, this is considered a long lead item;
- structures to support the compressor inter-stage air coolers have been installed, and the first one has been placed on the structure;
- miscellaneous electrical and mechanical works are occurring;
- cable trays are being installed;
- lighting is complete in the HP booster compressor shelter;
- various piping work is being conducted;
- there has been no connection made to the existing plant to date. This is anticipated to begin on 25 April. This will cause flaring.

Q5. (Gordon Dalzell) After the installation of the new BOG, will there still be flaring at the Terminal?

A5. (Fraser Forsythe) Yes, there will still be flaring when there is a ship at berth, or during declining atmospheric pressure. The BOG recovery system will allow us to bypass the SCVs to send out gas to pipeline, as it will be able to compress the gas directly into the pipeline. In absence of the BOG upgrade, we would have to flare during periods of low send outs below the Terminal's minimum send out level.

Q6: (Gordon Dalzell) Could the Terminal be mothballed? What is the future of the facility?

A6: (Fraser Forsythe) It is a possibility however at this time, Repsol is keeping the facility operational. The Terminal will be kept 'cold', meaning we will have about two ships a year. January, February, and March are the busiest times of the year for the LNG Terminal as it provides gas for the New England market. Currently, Canaport LNG is exploring ways to ensure the long term operation plan for the Terminal.

Q7: (Teresa Debly) How long is the long term operation plan?

A7: (Fraser Forsythe) At present it is out to ten years, with about two ships per year.

There was general talk amongst the committee about the potential for the Terminal to become a liquefaction plant.

(Fraser Forsythe) There is still a long way to go to become a liquefaction plant. This could be as much or more than a billion dollar project, and would need a good supply of gas before making these decisions.

(Dave Thompson) The presence of a good amount of shale gas in this region has not been proven yet.

Q8: (Teresa Debly) Would a liquefaction plant trigger an EIA?

A8: (Fraser Forsythe) Yes, it would trigger an EIA, complete with a public involvement process.

Q9: (Teresa Debly) Could it be used as both an import and export Terminal?

A9: (Fraser Forsythe) Yes. We could theoretically import LNG one day, and export it the next. It would take approximately 3+ years to build.

Fraser Forsythe presented the summary of the yearly monitoring for the 2012 year. A copy of the presentation is attached.

Q10: (Gordon Dalzell) Would the air emission numbers have been higher if the Terminal was running at full capacity?

A10: (Fraser Forsythe) Yes. The nitrogen oxides would have to be watched closely; however, the sulphur emissions are magnitudes lower than the Approval to Operate criteria.

Q11: (Gordon Dalzell) Would it be possible to arrange for another tour of the Terminal?

A11: (Fraser Forsythe) We could do another tour in the fall after the majority of the work for the BOG recovery project has been completed.

(4) MEMBER' S STATEMENT::

Gordon Dalzell thanked Canaport LNG for their contribution to the upgrades of the Carleton Community Center.

Fraser Forsythe commented that CLNG had recently participated in a volley ball tournament, from which the funding will contribute to the upgrades. In addition, Canaport LNG is donating \$5,000 for the next two years to Community Living Associations.

Q12: (Teresa Debly) Does Canaport LNG advertise looking for charitable organizations, or is there an application process?

A12: (Fraser Forsythe) Carol Armstrong asked CLNG to support the installation of a new roof for the Church, which I then brought it back to the management team but it is not our policy to advertise.

Q13: (Teresa Debly) Who would I ask?

A13: (Fraser Forsythe) To myself via the CCELC or directly to a member of our management team (myself or Adolfo Azcarraga, our general manager). We would then bring it to our management team for a decision. (David Peterson) An application can also be made on Canaport LNG's website.

Gordon Dalzell also informed the committee that there was a new executive director for Brunswick Pipeline, and their community liaison committee had been disbanded to form a new committee that would involve more representation from a larger geographic area.

(5) ADJOURNED:

8:15 pm

Submitted by: Fundy Engineering

(6) NEXT MEETING DATE:

Monday, 17 June 2013 at 6:00 pm

ATTACHMENTS:

- Table of Action Items

Table of Actions/Responsibilities – 25 March 2013

Action #	Action Item	Responsible Party	Due Date
74-1	David Peterson to report the emissions resulting from the Canaport Crude Terminal as was reported to NPRI and report on the requirement for a COA	<i>David Peterson</i>	<i>June 2013</i>