

Pronteau Oil's Plateau Pipeline Project

Minister Briefing - February 2018



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Purpose

Defend British Columbia's interests and recommend policy options regarding potential implementation of Pronteau Oil's Plateau Pipeline (P3)



The Issue

- Federal government has exclusive jurisdiction over interprovincial pipelines
- Issue is exceedingly divisive





Context

- Premier's Mandate letter to Environment Minister:

“Employ every tool available to defend B.C.’s interests in the face of the expansion of the Plateau Pipeline.”



Background

- Federal government determined to move forward, citing national interest
- Federal Court of Appeal cases result of poor consultation
- Current BC government elected to oppose pipeline, but has yet to declare its plan of action



Background

- Provincial government in need of growth drivers
- Pronteau negotiating community benefit agreements with communities

Key Considerations

Economic Development

- Economic benefits must outweigh costs of potential spills
- \$9.0B total economic benefit over 20 years
- Short-term construction benefits, minimal long-term job growth for communities

Key Considerations

Environmental Protection

- Prevention and mitigation must consider increased pipeline flow and tanker traffic
- Coastal regions at highest risk
- \$1.3B - \$6.4B potential worst-case clean up costs
- Pipelines have better safety record than other modes of oil transportation

Key Considerations

First Nations Consultation

- Provincial government has committed to make reconciliation a cross-government priority
- Several First Nations communities do not feel consultations have been in good faith
- Federal government has prioritized renewing relationship with Canada's Indigenous peoples

Key Considerations

Public Commitments

- Supporting pipeline could destabilize NDP-Green alliance
- Opposing pipeline would uphold election commitments



Policy & Implementation

The Three Options



Policy Options

1

Status Quo

2

Conditionally Support

3

Oppose the Pipeline

Option 1

Status Quo

- Defend B.C.'s interests in the face of expansion of P3 (Environment Minister's mandate letter)
- \$2.5 billion contribution from Pronteau to Clean Futures fund
- Will not delay construction permits



Option 1

Status Quo

Advantages

- ✔ Government does not walk back commitment to oppose P3
- ✔ No additional resources required
- ✔ Utilize Clean Futures Fund for green initiatives

Disadvantages

- ✘ Communities must negotiate on their own
- ✘ Limited consideration of provincial priorities in the process
- ✘ Some feel B.C. not receiving its fair share

Option 2

Conditionally Support

- Province will not support the project until affected municipalities and First Nations communities have been meaningfully consulted and signed community benefit agreements with Pronteau
- Increase provincial penalties to polluters in event of an inland spill

Option 2

Conditionally Support

Advantages

- ✔ Supports best outcome for B.C.
- ✔ Continues to engage with the proponent
- ✔ Utilizes Clean Futures Fund for green initiatives
- ✔ Increases penalties to polluters

Disadvantages

- ✘ May be seen as breaking commitment
- ✘ No guarantee of a desired outcome
- ✘ Uncertainty for government

Option 3



Oppose the Pipeline

- Suspend current certificates until all court cases against NEB are resolved
- Demand shortcomings of NEB process be fixed

Option 3

● Oppose the Pipeline

Advantages



Government maintains its commitment

Disadvantages



Perceived aggression could have negative implications



Pipeline still likely to be built



Opportunity cost of lawsuits



Decision Criteria

Decision Criteria	Status Quo	Support	Oppose
Economic Implications			
Environmental Risks			
First Nations Engagement			
Public Commitments			

Recommendation

Conditional Support

- Facilitate engagement for meaningful consultation between municipal and First Nations communities and Pronteau, with local MLAs
 - Measure by signing of community benefit agreements
- Increase provincial penalties to polluters in event of inland spill



Risk Analysis

- ⦿ Risks of inaction
 - Duty to Consult with First Nations not met
 - Inadequate consideration of environmental risks
 - B.C. communities may not receive their fair share of benefits
- ⦿ Risks of action
 - Pipeline may still be constructed without agreements
 - Political uncertainty for the government



Risk Analysis of Recommendation

Risk	Probability	Impact	Mitigation
Insufficient Economic Benefit	Low	Medium	Work towards benefit agreements
Environmental Risks	Low	High	Ensuring world-class spill mitigation standards
Insufficient First Nations Consultations	Low	High	Honour Duty to Consult
Public Commitments	Medium	Medium	Transparent and open discussions about purpose and objectives of recommended option

Implementation Strategy

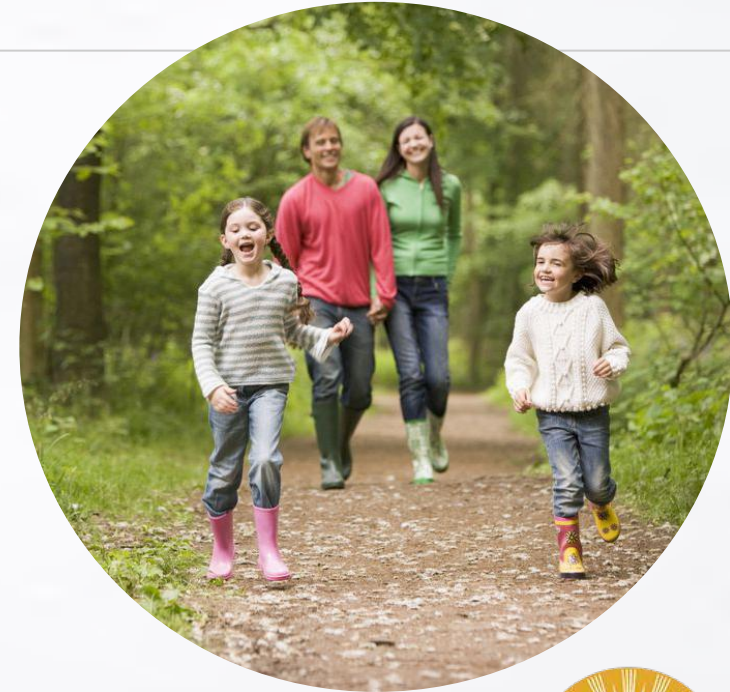
- ◉ Meet with affected communities to determine their priorities regarding the P3
- ◉ Engage with Pronteau and federal government to ensure these priorities are addressed
- ◉ Respect the need for consultation with First Nations
- ◉ Consult with British Columbians on green initiative priorities for the Clean Futures Fund

Communications Strategy

- ◎ **Audience:** MLAs, First Nations communities, municipalities
- ◎ **Key Objectives:**
 - Clarify our government's position on the pipeline
 - Outline conditions required for support of the project

Key Messages

- If this project proceeds, our responsibility is to receive the best outcome possible for British Columbia's First Nations communities and municipalities
- Our government is committed to ensuring the concerns of B.C. residents are heard and addressed
- The province will continue to safeguard the environment





Thank you

Any questions?