We are writing to provide an important update on the Squamish Nation Process (SN Process) and the Woodfibre LNG Project (WLNG Project).

Our Nation created this Process to assert our rights and title and to protect our traditional lands and waters.

Woodfibre LNG Limited (WLNG) is proposing to build a liquefied natural gas (LNG) processing and export facility at the former Woodfibre pulp mill site, which is located at the ancestral village site of Swiyat.

One of the 13 conditions imposed on WLNG through the Squamish Nation (SN) Process and SN Environmental Assessment Agreement is that SN will decide which cooling technology will be used as part of the WLNG Project. If the company doesn’t comply with SN decision on cooling technology, the Nation can take legal action.

The SN has decided that seawater cooling, WLNG’s preferred cooling technology, is too impactful on cultural and environmental values, and has rejected this technology. Instead, we chose air cooling, which has been found to have the lowest net cultural and environmental impacts, and does not impact the marine environment of Howe Sound. Therefore, we have directed WLNG to use air cooling as the cooling technology for the WLNG Project.

If WLNG doesn’t comply with the SN decision on cooling technology, the Nation may revoke its Environmental Assessment Certificate (EA Certificate) and terminate the Environmental Assessment Agreement or pursue legal remedies under the Environmental Assessment Agreement, which includes going to court.
SQUAMISH NATION PROCESS

Woodfibre LNG Project (and the associated FortisBC pipeline) is the first industrial project to undergo the SN’s independent assessment, which began in July 2014.

On June 27, 2015 the Nation set out its “25 Conditions” for the LNG facility and pipeline proposals. On July 24, 2015, WLNG publicly announced it agrees to meet all 13 conditions that apply to its part of the proposal.

On October 14, 2015 Squamish Nation Council voted to approve an Environmental Assessment Agreement for the proposed Woodfibre LNG facility project and issued an Environmental Certificate to Woodfibre LNG Ltd (“WLNG”).

The Nation has significant decision-making powers under the Agreement, specifically for the choice of cooling technology and approval of management plans.

If WLNG does not comply with a decision the Squamish Nation makes under the Environmental Assessment Agreement, the Squamish Nation may enforce compliance through the dispute resolution process under the agreement, which includes going to court.

The Environmental Assessment Agreement is legally binding including legal remedies to ensure WLNG complies with its commitments under the Agreement. If WLNG does not meet its commitments under the Agreement, the Nation may revoke the Environmental Certificate and terminate the Agreement or go to court.

"It is important to remind members that the Squamish Process was set in motion to ensure our Aboriginal rights and title interests are protected... We won’t allow outsiders, whether they support the proposal or oppose it, to decide for us. It is our future — our decision to make."

Chief Ian Campbell

A NEW APPROACH FOR FIRST NATIONS AND INDUSTRY TO EMBRACE

To our knowledge, the SN Process is the first time in Canada that a First Nation has conducted its own environmental assessment process that has resulted in an agreement with legally binding conditions.

If any of the conditions aren’t met, then the project can’t move forward. SN has a lot to be proud of – the Nation has developed a new approach for First Nations and for industry to embrace, as it’s in their interest as well.

SN are leaders in developing a mechanism for consent post-Tsilhqot’in.

Other Nations, and a number of other groups, are now asking our Nation about the process, and how they may be able to achieve the same result.

“The Squamish Nation Process allows the Nation to make an informed decision based on the best information available from its perspective, feedback from its members, and advice from independent consultants and scientists.”

Chief Ian Campbell
COOLING TECHNOLOGIES CONDITION

Similar to how a radiator cools a car’s engine, WLNG needs a way to cool its plant during the production of LNG.

During the SN Process, Woodfibre LNG Limited failed to satisfy SN that its choice of seawater cooling would not create significant environmental effects, whether on the marine environment or on SN’s relationship to the marine environment, and that even if seawater cooling did avoid significant adverse effects, some amount of residual marine impact would occur.

Under the terms of the SN Environmental Assessment Agreement, the Nation has been conducting further independent studies, distinct from the provincial and federal Environmental Assessment processes, on seawater cooling as well as two alternate cooling techniques - air cooling, and air cooling with freshwater spray.

ASSESSMENT OF COOLING TECHNOLOGIES

OPTION 1 / SEAWATER COOLING

How It Would Work:

- An intake pipe near the sea floor draws in seawater, which is used as the cooling medium. Physical screens are used to reduce entrainment of fish or plankton.

- Water cycles through the cooling system and is discharged back to Howe Sound, with some residual chlorine and at a warmer temperature.

- Residual chlorine and water temperature would meet provincial and federal water quality guidelines.

Findings:

Seawater Cooling has the highest net environmental impact of the three cooling technologies. It was clearly a significant concern to SN’s specific interests during the independent EA.
OPTION 2 / AIR COOLING

How It Would Work:
- Air cooling uses air, instead of water, as the cooling medium.
- A series of fans are used to pass air over a cooler assembly made up of finned tubes with fluid inside.
- Fans are electrically driven.

Findings:
Air cooling has the lowest environmental impact, but would be expected to result in approximately a 2% production decrease. There are minimal environmental interactions with this process – primarily, the exhaust heat (similar to HVAC exhaust heat), and an increase in noise.

If air cooling is the chosen option, it is recommended that wildlife monitoring be included in the Wildlife Management Plan to confirm that the warm air from the fans does not have any meaningful adverse interactions with bats and birds.
ASSESSMENT OF COOLING TECHNOLOGIES.... CONTINUED

OPTION 3 / AIR COOLING WITH FRESHWATER SPRAY

How It Would Work:

- The air cooling with freshwater spray option is very similar to the air cooling option; the difference is the addition of a nozzle system that would mist fresh water onto the cooling assembly during hot weather. The addition of water mist increases the heat absorption and therefore can increase facility output relative to just using air cooling.

- Creek water would be stored in tanks to avoid the need to withdraw water during low-flow periods when water may not be available due to environmental flow needs.

Findings:

The potential environmental effects of using water from Mill Creek are less concerning than the potential marine effects of seawater cooling, but still significant in terms of the potential to impact on both freshwater and anadromous (salmon) fish.

COOLING TECHNOLOGIES DECISION

The three cooling technologies discussed above were assessed by an independent third party expert on behalf of SN. Council was then provided a report by the expert with recommendations on which technology has the lowest net cultural and environmental impacts.

On October 19, 2016, Squamish Nation Council rejected WLNG’s preferred cooling technology - seawater cooling – as well as air cooling with freshwater spray, and directed WLNG to use air cooling as the cooling technology on the WLNG Project as it has the lowest net cultural and environmental impacts. WLNG must abide by this decision or the Nation may revoke its EA Certificate and terminate the Environmental Assessment Agreement or pursue legal remedies under the Environmental Assessment Agreement, which includes going to court.
SN PROCESS TIMELINE

July 2014:
Squamish Process launched.

November 6, 2014:
“LNG 101” sessions start.

November 24, 25, 29, 2014:
Focus group meetings held at Squamish and North Vancouver.

February 11, 2015:
Community meeting, Squamish.

February 24, 2015:
Community meeting, North Vancouver.

June 9, 2015:
Community meeting, Squamish.

June 11, 2015:
Community meeting, North Vancouver.

June 27, 2015:
Squamish Nation Council sets out its “25 Conditions.”

July 24, 2015:
Woodfibre LNG accepts all Squamish Nation’s “25 Conditions.”

September 14, 2015:
FortisBC responds to some of Squamish Nation’s “25 Conditions" and offers alternatives for its proposed pipeline route and compressor station location.

October 14, 2015:
Squamish Nation Council approves the Woodfibre LNG EA Agreement, saying it could be managed if proper technology and controls are in place. But the FortisBC EA Agreement remained unresolved.

May 3, 2016:
Responding to pressure from Squamish Nation, FortisBC withdrew the option of locating the compressor station in the industrial park.

May 11, 2016:
As an alternative FortisBC proposes the Mount Mulligan site for its compressor.

June 22, 2016:
After a detailed briefing, Council voted “yes” to approve the FortisBC EA Agreement.

October 19, 2016:
Squamish Nation rejects seawater cooling and directs WLNG to use air cooling as the method for the Project.

WHAT IS NEXT?

Subject to WLNG and FortisBC meeting the conditions set out in their Environmental Certificates and Environmental Agreements, this gives the companies approval to proceed to the next step of the process.

If WLNG or FortisBC do not meet the conditions, the next steps include the negotiation of an economic benefits agreement with Woodfibre LNG, FortisBC, and the province of BC. This is the 25th condition the Squamish Nation imposed on all three parties.
ADDENDUMS

Woodfibre LNG Agreement & Environmental Certificate Conditions

1. The Agreement is a conditional approval of the LNG plant based on WLNG (Woodfibre LNG) meeting all 13 conditions by the Squamish Nation. If WLNG fails to meet even one condition the SN can revoke our agreement. It provides legal strength for the Nation to hold WLNG to the Agreement. It legally binds WLNG to meet all conditions.

2. Forces WLNG to conduct further independent studies on current and alternate cooling techniques. a. The Squamish Nation (SN) will have the final say on which technology gets picked. (Squamish Nation consent). b. If WLNG doesn’t comply with SN decision the Nation can take Legal Action.

3. WLNG is bound to create a Green Zone in and around Mill Creek and develop a long term plan to re-mediate and restore Mill Creek. a. They also have to recognize that the project is located on former village of Swiyat.

4. WLNG must develop a Water Management Plan for Mill Creek to ensure adequate water levels for aquatic life and salmon. a. SN will need to provide approvals for Water Management Plan.

5. WLNG will provide funding to SN to develop a SN Marine Use Plan to analyze the cumulative impacts of Industrial projects in the Howe Sound.

6. WLNG will provide controlled and safe access to SN members to the surrounding area to practice Aboriginal Rights.

7. WLNG must develop an Environmental Management Program with SN, which gives the Nation authority and approval mechanisms on Environmental Management Plans.

8. WLNG will provide insurance coverage or Bond to protect ALL SN members to address personal loss or injury due to project.

9. WLNG cannot expand the project without Squamish Nation approval.

10. WLNG cannot allow transfer of any bunker fuel to LNG tankers anywhere in our waters.

11. WLNG will conduct noise monitoring studies on marine mammals that includes mitigation measures and monitoring programs to address impacts on mammals.

12. WLNG agrees to use only for LNG purposes, there will be no oil or diluted bitumen transported through project.

13. WLNG and SN will develop co-management and monitoring plans to ensure all plans and mitigation measures are adhered to.

14. The agreement is conditional on WLNG and SN coming to an Impact Benefit Agreement.

Both Squamish Nation and WLNG will develop an Environmental Working Group to ensure the Agreement and all work/plans are implemented. The Agreement also creates a Dispute Resolution process along with legal remedies if conditions are not met.

CONTINUED ON BACK COVER
FortisBC Pipeline Agreement & Environmental Certificate Conditions

Entering into an Environmental Assessment Agreement (“EA Agreement”) means that if FortisBC does not satisfy one of the Nine Conditions (listed below), the SN can either revoke the FortisBC EA Agreement or pursue legal remedies in court to force FortisBC to comply with the condition.

1. Avoid any industrial impacts in the Skwelwil’em Wildlife Management Area (“WMA”) boundaries by constructing the new pipeline completely underneath or around the WMA so that the pipeline surfaces outside of the WMA boundaries.

2. No barges in WMA.

3. Relocating the compressor station from the location proposed in its EA Application to a location that poses no risk to Squamish members residing on any Indian Reserve in Squamish territory.

4. Routing the pipeline to avoid impacts within, and adjacent to, the following cultural sites that have been legally designated under land use agreement with BC: Monmouth Creek, Stawamus Creek and Indian River. For certainty, in order to minimize disturbance to the cultural sites FortisBC will come to agreement with the Squamish Nation on a reasonable buffer area around each of these cultural sites.

5. Partnering with the Squamish Nation to co-manage the environmental management programs and the monitoring of the programs (including the funding of SN participation).

6. Providing insurance coverage or form of bond to address personal loss and injury costs of members that may be impacted by an explosion caused by an accident or malfunction of project.

7. No future expansion of the pipeline without Squamish Nation approval.

8. Making certain mitigation measures proposed in its EA application that are considered voluntary measures legally binding under a Squamish Nation Certificate of Project Approval.

9. Entering into an economic benefits agreement with the Squamish Nation that will be reflective of the Squamish Nation’s aboriginal rights and title interests.

It is important to note that the above Nine Conditions will be in addition to those already set out by the provincial government. And that SN will monitor and enforce all Nine Conditions.