



February 20, 2020

Re: Noia Submission on Draft Regional Assessment

Introduction

Noia would like to begin its comments on the draft *Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador* (regional assessment) by commending the Review Committee (the Committee) and its staff for the work it has done. The Committee has undertaken significant analysis of information, provided a detailed consultation process, and produced a well-written document that should be readable by the general public as well as interested stakeholders. The Committee has also designed an important GIS tool which should help everyone involved in the process of reviewing offshore projects.

It is not the intention of Noia in this submission to comment on each recommendation in the draft regional assessment. Some commentary will be made on select recommendations, however, Noia's focus will be on the overarching tenor of the regional assessment, the need for a regional assessment, the role of the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB or the Board), and the need for a process which ensures the offshore oil and gas industry is globally competitive and has clear and consistent regulations.

While Noia has expressed significant disagreement with many aspects of the *Impact Assessment Act*, it has been supportive of the intention of a regional assessment to:

"...help to improve the effectiveness and efficiency of the assessment process for future exploratory drilling and associated activities in this region, while also ensuring the highest standards of environmental protection continue to be applied and maintained."

Noia supported this process to help ensure an effective and efficient environmental review regime that would provide clarity and certainty to all stakeholders, including residents, those who depend upon the ocean economy, conservationists, and the global oil and gas industry. Noia has maintained its position that its members support an approach that provides protection and progress, not added process. This submission by Noia on the draft regional assessment is based upon this viewpoint and remains consistent with comments made throughout the consultation process for the *Impact Assessment Act*.

Noia

The Newfoundland and Labrador Oil and Gas Industries Association (Noia) was founded in 1977 to represent the supply and service sector of the offshore oil and gas industry. Today, Noia represents over 500 member organizations worldwide which are involved in, or benefit from, the oil and gas industry of Newfoundland and Labrador. Noia members are a diverse representation of businesses that range from offshore supply boats and helicopters to health and safety equipment and training, engineering solutions and fabricators to law firms, personnel agencies and golf courses.

Draft Regional Assessment Comments

Canada-Newfoundland and Labrador Offshore Petroleum Board

From the outset of the process to establish the *Impact Assessment Act*, a new regulator (The Impact Assessment Agency) and the regional assessment, Noia has steadfastly maintained that the principle of joint management of offshore oil and gas activity as prescribed in the Atlantic Accord signed by the governments of Canada and Newfoundland and Labrador must be upheld and strengthened. The Canada-Newfoundland and Labrador Offshore Petroleum Board was established via the Atlantic Accord as an entity for both levels of government to jointly manage the offshore. Noia has maintained that this entity has been doing an excellent job in regulating the offshore and should continue in this role. In fact, Noia believes the C-NLOPB should have its authority strengthened and be the responsible authority for the offshore oil and gas industry. With the release of the draft regional assessment, the view of Noia has not changed and Noia maintains its belief that the C-NLOPB should be the responsible authority for the offshore. Should this occur, Noia contends the regional assessment and the information provided remains a valuable tool which can be used by the C-NLOPB to regulate the offshore.

On numerous occasions the Committee references the C-NLOPB in its recommendations and offers its input in the role the Board can play in the process. For example, in section 5.4 the Committee provides three recommendations involving the C-NLOPB. It is the perspective of Noia that this is clear evidence of the competency of the Board in being able to carry out the recommendations of the Committee as responsible authority.

Similarly, the Committee recommends the establishment of an oversight committee and makes recommendations as to its composition and how regularly it should update the regional assessment. Noia feels the establishment of such an oversight committee will create further delays in the assessment process and increase uncertainty, doing exactly the opposite of what the regional assessment is intended to do. Further, and most importantly, Noia believes such an oversight

committee is an infringement upon the principle of joint management legislated in the Atlantic Accord and thus should not be implemented. Again, this responsibility can be provided to the C-NLOPB, the entity already entrusted with joint management through legislation.

A clear and concise process that provides certainty to all stakeholders is required for a regional assessment to be a success. Without clarity and certainty on the process for exemption for the Impact Assessment Process and the role of the C-NLOPB, a regional assessment is not likely to be successful.

In keeping with this topic, Noia does support the concept of an "evergreen" regional assessment. Knowledge is powerful and having recent data is invaluable to the assessment process. Having said that, a yearly review process would be cumbersome and likely would mean a constant cycle of revisions that do not provide clarity and certainty for all stakeholders. Changes to the regional assessment will require ministerial approval which may also be cumbersome and lead to extended processes. In this context, Noia would suggest that reviews occur less frequently than annually. Again, having this process included as part of the responsibilities of the C-NLOPB would eliminate concerns about delays and uncertainty and would allow that entity to work with stakeholders to update information in a timely manner. The C-NLOPB would have to be provided appropriate resources to carry out these responsibilities.

Removal from Designated Project List

Noia also maintains its contention that exploratory drilling wells in Accord Act areas offshore Newfoundland and Labrador should be removed from the designated project list as they do not meet the threshold of the *Impact Assessment Act*. The draft regional assessment on numerous occasions references how there are not significant adverse effects as a result of offshore exploratory drilling, including in designated "special areas." This provides sufficient evidence to remove offshore exploratory wells from the designated project list.

These references by the Committee are repetitious of numerous environmental assessments of exploration projects for the offshore. The regional assessment has not only provided no evidence to contradict these determinations, it has once again confirmed them. It is the view of Noia that scientific evidence and project modeling are both clear, and that placing offshore exploration wells that are short-duration activities for which there are decades of research, experience and mitigation measures in place, on the designated project list is not warranted. The *Discussion Paper on the Proposed Project List* released in May 2019 by the Impact Assessment Agency as part of the consultation process for the new *Impact Assessment Act* outlined on page 7 that certain project types, such as an offshore exploratory well, would be removed from the designated project list should a

regional assessment be established. Noia agrees with that course of action and requests that these activities be removed from the designated project list.

Socioeconomic Benefits

Noia was pleased to see information included in the regional assessment regarding the socioeconomic benefits of the offshore oil and gas industry. Noia has provided significant detail on this matter to the Committee and commends the Committee for acknowledging this information and including it in the draft regional assessment. Noia will not provide all this information again, but believes it is incumbent upon the association to indicate that the offshore oil and gas industry is a leading economic driver of the provincial economy and has significant impacts across Canada.

We must ensure that reviews of exploratory drilling programs occur in a globally competitive timeframe. Noia also acknowledges the many references throughout the draft regional assessment to other members of the ocean economy and the importance of the offshore to them. Noia agrees with the recommendations of the Committee that further cooperation must occur amongst industries and that an organization such as OneOcean, along with other industry associations, can and must play a strong role in collaboration between those who depend upon the ocean. Once again, Noia would like to comment that the C-NLOPB conducts consultation as part of its mandate and could continue to do so as the authority designated to oversee the regional assessment.

Environmental Stewardship

Noia was also pleased to see recognition of the efforts of those involved in the offshore oil and gas industry to protect marine life and habitat, marine birds and mammals and all wildlife and to ensure a safe and sustainable process. As referenced above, on numerous occasions the draft regional assessment indicates there are no significant adverse effects from offshore exploratory activities. Noia does acknowledge that there is a responsibility placed upon everyone involved in the offshore oil and gas industry to ensure that safety and environmental stewardship are priorities. The marine environment is all of ours and we must work together to protect it while extracting its natural resources.

Further, it is reassuring to see the information provided in the draft report about the greenhouse gas emissions of exploratory drilling and the insignificant effect they have on Canada's international commitments. For example, the document references the environmental assessment for a specific proposed exploratory drilling project and the fact the project would have 0.29 per cent of the provincial greenhouse gas inventory and 0.004 per cent of the national greenhouse gas inventory. The Committee took this a step further and modeled the cumulative effects of greenhouse gas emissions for 100 new wells in the next 10-12 years. Annually, this activity is expected to contribute between 0.07-0.1 per cent of the

federal 2020 greenhouse gas target and 0.09-0.12 per cent of the federal 2030 target. The report states it is unlikely that exploratory drilling wells offshore Newfoundland and Labrador would hinder Canada's ability to meet emission targets.

Noia would also like to indicate that in 2017, offshore Newfoundland and Labrador's upstream carbon emissions equated to 0.23 per cent of Canada's total contribution. With that said, Noia is not naive to the responsibilities of everyone to ensure development occurs in an environmentally sustainable manner. There is an expectation and onus upon everyone involved in the offshore oil and gas industry to ensure resource development occurs in an innovative way that reduces environmental impact.

In that light, Noia acknowledges the precautionary principle outlined in the regional assessment and agrees that science and fact-based decision making must be considered as the industry evolves.

The Committee has not excluded any portion of the study area from exploratory drilling and Noia supports this action.

Noia further supports the evergreen nature of the regional assessment which will be invaluable should potential exploratory drilling occur in areas where there is currently no data available. Again, Noia supports the C-NLOPB as the primary entity to manage the evergreen nature of the regional assessment. However, it must be recognized that changes to the regional assessment now require ministerial approval under Bill C-69 so the evergreen nature may add additional processes and time.

Implementation

Noia has outlined a proposed approach that returns authority to the C-NLOPB as enshrined in legislation by the Atlantic Accord. Noia recognizes that this may be somewhat outside the scope of the regional assessment, however, the evidence put forth by the Committee clearly indicates this is the best approach, and, is an approach that would adhere to the principle of joint management of the offshore. To achieve this, the Impact Assessment Act would require amendment.

Noia further recognizes that the regional assessment is a tool of the Impact Assessment Agency via the *Impact Assessment Act* and under the auspices of the federal Minister of Environment and Climate Change, with the intention being to establish a ministerial regulation once the regional assessment process is complete and accepted. In terms of authority being provided to the C-NLOPB for the regional assessment, Noia suggests an amendment to the Impact Assessment Act to recognize this authority.

Failing the above, Noia asks if a formal agreement could be signed by the governments of Canada and Newfoundland and Labrador to accept the regional assessment and place authority with the C-NLOPB? The Review Committee was established by an agreement between both levels of government. It is reasonable to suggest that an agreement to establish a process to carry out the recommendations of the Committee could also be agreed to and implemented by the parties, especially given both governments are signatories to the Atlantic Accord which establishes joint management through the Canada-Newfoundland and Labrador Offshore Petroleum Board.

No matter the end method, it is imperative that the approach achieve the objective of creating an effective and efficient process and provide clarity and certainty for all stakeholders. In doing so, the authority tasked with applying the conditions of the regional assessment – suitably the C-NLOPB in the opinion of Noia – must be provided with appropriate resources to carry out its responsibilities in a timely manner. Not doing so would be a failure to meet the objectives of the regional assessment.

Conclusion

Noia would once again like to thank the Review Committee and supporting staff for their efforts to consult and develop the draft regional assessment and supporting GIS tool. The information compiled by the Committee is substantial and will have a lasting impact on the process to ensure safety, environmental protection and stewardship, and resource development.

The draft regional assessment and recommendations of the Committee illustrate the importance of the Canada-Newfoundland and Labrador Offshore Petroleum Board in the offshore and Noia requests that the C-NLOPB be provided the authority to implement the recommendations of the Committee, as per its legislated role via the Atlantic Accord. The principle of joint management must be upheld in the offshore as agreed by the governments of Canada and Newfoundland and Labrador and allowing the C-NLOPB to be the responsible authority – as it has been in the past – adheres to that principle. Many of the recommendations of the Committee pertain directly to the C-NLOPB, and even many of those that do not still require an entity to bring together different facets of the ocean economy, as well as different departments and agencies of the Government of Canada; the C-NLOPB has been successfully doing this and can continue to do so.

Noia believes it is incumbent upon both levels of government to collaborate and ensure that the C-NLOPB is given proper authority to manage the offshore, including the regional assessment. This could be accomplished via legislation

which strengthens the role of the Board or through a formal agreement between Canada and Newfoundland and Labrador.

The information provided by the Committee strengthens Noia's belief that offshore exploratory wells should be removed from the designated project list. Numerous references within the draft regional assessment indicate that there are no significant adverse effects from this activity, as has been outlined by environmental assessments of exploration projects in the past. Noia requests that offshore exploration wells be removed from the designated project list as was indicated in the discussion paper on this topic published May 2019 by the Impact Assessment Agency.

The draft regional assessment clearly recognizes the importance of the offshore oil and gas industry to Newfoundland and Labrador and Canada. Noia was pleased to see the economic information it provided to the Committee was included, along with data on the impact of exploration programs. Noia also recognizes that the offshore oil and gas industry operates with others engaged in the ocean economy and efforts must continue to enhance collaboration between those involved in extracting natural resources from our oceans.

Noia also is cognizant of the responsibility of all participants in the ocean economy to practice environmental stewardship, conservation, and protection. While data provided in the draft regional assessment outlines the minimal impacts of the offshore oil and gas industry, that does not excuse all participants, including Noia members, from undertaking efforts to strive for sustainable approaches to their operations. There is an onus upon everyone engaged in the industry to protect people, marine life and habitat, marine birds and mammals and all wildlife.

Noia would also like to commend the Committee for its engagement with Indigenous peoples and its commitment to including Indigenous Knowledge and Two-Eyed Seeing in the draft regional assessment. The inclusion of Indigenous peoples, their knowledge and understanding is critical as we move forward.

Thank you for the opportunity to submit the above comments on the draft *Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador*.

Sincerely,



Charlene Johnson
CEO, Noia