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**Re: Canadian Environmental Assessment Agency (“CEA Agency”)  
Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland  
and Labrador - Public Comments**

The CEA Agency, along with the Canada-Newfoundland and Labrador Offshore Petroleum Board (“C-NLOPB”), Natural Resources Canada, and the Department of Natural Resources for Newfoundland and Labrador, (collectively, the “**Agencies**”) have developed a draft agreement for a Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador (the “**Draft Agreement**”). On September 13, 2018, the CEA Agency and C-NLOPB invited the public and Indigenous groups to comment on the Draft Agreement.

As an active participant in the Newfoundland and Labrador offshore petroleum industry, Equinor Canada Ltd. (“**Equinor**”) is supportive of the proposed Regional Assessment (“**RA**”)<sup>1</sup> and the Agencies’ stated goals of improving the efficiency of the environmental assessment process as it applies to oil and gas exploration drilling, ensuring the highest standards of environmental protection, building on the experience and knowledge gained in assessing previous projects, and reducing duplication in processes and information, resulting in more efficient project reviews for exploration projects.<sup>2</sup> Equinor is also generally supportive of the form and content of the Draft Agreement, and appreciates the opportunity to provide input at this early stage to ensure the goals of the RA are met.

At this time, Equinor’s primary concern is ensuring that it and other industry participants will be able to rely on the outcomes of the RA as substitution for individual environmental assessments (“**EAs**”) at the individual exploration licence/wellsite level. **Equinor expects that it will be able to rely on the RA**

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<sup>1</sup> Note that the legislation refers to “Regional Studies” and other publications have referred to “Regional Strategic Environmental Assessments”. For simplicity, throughout this document we will refer to these collectively as “RAs”.

<sup>2</sup> CEA Agency, Public Notice, “Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador — Public Comments Invited” (September 13, 2018).

**for future exploration programs, and its ability to do so should be clearly established at the outset.** Equinor’s comments on the Draft Agreement and overall RA approach are provided below.

## Goals and Purposes of Regional Assessments

Equinor supports the purpose and intent of the RA, which, in Equinor’s view, represents best practice for the Newfoundland and Labrador offshore exploration drilling industry. Equinor notes that a number of commenters, such as the Canadian Council of Ministers of the Environment (“CCME”) and environmental non-governmental organizations, have previously communicated support for RAs. For example, Nature Canada stated that RAs are intended to improve management of cumulative environmental effects, increase the efficiency and effectiveness of project-level environmental assessments, and identify preferred directions, strategies, and priorities for the future management and development of a region.<sup>3</sup> Commenters have also opined that RAs may be applied to improve the overall management of offshore oil and gas development by contributing to improved decision-making, better quality EAs, and streamlined regulatory processes.<sup>4</sup>

Equinor supports the CCME’s statements that the objective of RAs is to inform the preparation of a preferred development strategy and environmental management framework(s) for a region,<sup>5</sup> that RAs provide foundation and support for future development,<sup>6</sup> and RAs contribute to regional sustainability goals by providing opportunities to streamline the review process.<sup>7</sup> Such outcomes improve regulatory efficiency and support overall investor certainty regarding potential offshore exploration and development projects.

The CCME guidance was considered in the April 5, 2017 Report “Building Common Ground - A New Vision for Impact Assessment in Canada” prepared by the Expert Panel mandated by the Minister of Environment and Climate Change to review federal environmental assessment processes (the “**Expert Panel Report**”). The Expert Panel stated that the CCME’s approach to RAs is in line with the views of the participants in the Expert Panel’s process, and that RAs may address five key objectives:

- to streamline, inform and improve project impact assessment;
- to gather information about and improve management of cumulative impacts affecting the sustainability of matters of federal interest;

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<sup>3</sup> Nature Canada, “[Next Generation Impact Assessment: Toward Sustainability – Submission to the Panel on Environmental Assessment](#)” (October 31, 2016), p 12.

<sup>4</sup> Celesa L. Horvath & Jeffrey L. Barnes, “[Applying a Regional Strategic Environmental Assessment Approach to the Management of Offshore Oil and Gas Development](#)” in Proceedings of the Annual Conference of the International Association for Impact Assessment, Vancouver, British Columbia, Canada (April 24-31, 2004), p 4-5.

<sup>5</sup> CCME Principles, p 7.

<sup>6</sup> CCME Principles, p 12.

<sup>7</sup> CCME Principles, p 10.



- to inform federal decisions on future projects in the region;
- to build trust and relationships with Indigenous groups; and
- to set a preferred direction and strategy for achieving sustainability in a region through the assessment of alternative development scenarios.<sup>8</sup>

It is clear that support for RAs is widespread. Moreover, given that the area where the RA studies will be conducted is the site of current and proposed oil and gas exploration and production activities, Equinor views the Newfoundland and Labrador offshore area as an ideal candidate for an RA.

Equinor submits that, once completed, **the RA should be used by regulators to support the analysis of whether significant adverse environmental effects are likely to result from a given exploration drilling program proposed in the Newfoundland and Labrador offshore area.**

The Draft Agreement includes a comprehensive list of factors to be considered in the RA.<sup>9</sup> This list includes the factors required for environmental assessments under section 19 of the *Canadian Environmental Assessment Act (2012)* and the relevant factors listed at section 22 of the most recent (third reading) version of the *Impact Assessment Act (“IAA”)*.<sup>10</sup> Therefore, Equinor submits that the RA will incorporate a comprehensive suite of factors that could appropriately be used to identify the impacts and effects, including any significant effects, associated with exploration drilling in the applicable area. **The Draft Agreement should thus make it clear that the RA can and ought to be used to support determinations by responsible authorities regarding the impacts of offshore exploration drilling projects in the applicable area,** as required under CEAA 2012 (or the IAA, if enacted) and as may be required pursuant to other legislative regimes.

### Indigenous Knowledge

Equinor understands that participation of Indigenous groups is a key element of the Draft Agreement<sup>11</sup> and encourages the Agencies to **include and incorporate Indigenous Knowledge in the RA so that standard approaches to address issues raised can be developed.** In Equinor’s view, it is critical that efforts are made to integrate Indigenous Knowledge into the RA, including proposed mitigation and standard practices to address the issues of concern to Indigenous groups. Moreover, Equinor submits that it should be made clear throughout the RA process that it is important for Indigenous groups to participate, including through the provision of Traditional Knowledge, previously conducted Traditional Use Studies and other information and potential concerns related to their interests. This is important as the outcomes of the RA may be relied on by the Agencies to support project-specific assessments and

<sup>8</sup> Expert Panel Report, p 77.

<sup>9</sup> Draft Agreement, Appendix C.

<sup>10</sup> Section 22 of the IAA also lists (f) any alternatives to the designated project that are technically and economically feasible and are directly related to the designated project; and (p) any relevant assessment referred to in section 92, 93 or 95. Given that the currently proposed RA is specific to offshore exploration drilling (and not alternatives to drilling) and no other regional assessments have yet been conducted in the applicable area, these factors are not relevant to the RA.

<sup>11</sup> See, for example, sections 4.4, 4.17, 4.19 and Appendix A, s 1.1, 1.2, 2.2, 3.2 and Appendix C, 1(c), (f) and (n).

conclusions. Equinor is also of the view that the RA should be used to develop consultation guidelines so that any new issues that cannot be addressed by standard approaches have a clear and defined process.

## **Conclusion**

In Equinor's view, the development of the Draft Agreement and, ultimately, an RA is critical to the future of Newfoundland and Labrador offshore oil and gas exploration. However, such an RA should not simply be used to "inform and guide" current and future environmental assessments and regulatory decisions, it should be used as a benchmark and provide clarity to project proponents, Indigenous groups and members of the public.

In accordance with the CCME's stated objectives, the ultimate goal of the RA should be to (i) provide foundation and support for future exploration programs, (ii) streamline and expedite the processes, and reduce timelines, and (iii) create codes of practices, and standard mitigation and approaches. The RA should be used to identify and eliminate issues that are not significant so as to focus any future regulatory reviews on material issues. The assessment should further provide the baseline for Indigenous Traditional Knowledge that can be relied upon by all proponents in the offshore oil and gas exploration industry in designing their projects and preparing mitigation plans.

Finally, consistent with guidance documents and CEA Agency direction, Equinor submits that the RA should provide the foundation to expedite future exploration programs and developments that are consistent with the consultation and public participation in the development of the RA. In Equinor's view, such a process would avoid repetition of the same issues going forward on a well-by-well basis, and significantly streamline the EA process in this region to the benefit of Operators, Indigenous groups and stakeholders.

Equinor appreciates the opportunity to provide input on these important matters.

Yours truly,

**EQUINOR CANADA LTD.**

<Original signed by>

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