



Canadian Environmental
Assessment Agency

Agence canadienne
d'évaluation environnementale

410 - 701 West Georgia St
Vancouver BC V7Y 1C6

410 - 701 rue Georgia ouest
Vancouver (C-B) V7Y 1C6

August 16, 2016

Chief Joe Bevan and Councillors
Kitselas First Nation
2225 Gitaus Road
Terrace BC V8G 0A9

Dear Chief Bevan and Councillors:

**Subject: Notification that a Federal Environmental Assessment is
Required for the Proposed Pacific Future Energy Refinery Project**

The purpose of this letter is to:

- (1) notify you of the Canadian Environmental Assessment Agency's (the Agency) decision on whether a federal environmental assessment (EA) is required for the Pacific Future Energy Refinery Project (the Project); and
- (2) provide information on the next steps in the EA process, including how Crown consultation activities will be integrated into the process.

Determination of Whether a Federal EA is Required

On June 30, 2016, the Agency provided notice to Kitselas First Nation that the Agency had received a project description from Pacific Future Energy Corporation (the proponent) for the Project. In that letter, the Agency requested comments on the Project's potential environmental effects and the impacts on your potential or established Aboriginal or treaty rights, protected under section 35 of the *Constitution Act, 1982* (section 35 rights).

The Agency appreciates the comments provided by Kitselas First Nation and acknowledges your inquiry regarding the availability of funding. Federal funding will be made available to Kitselas First Nation and other potentially affected Indigenous communities to support their participation in the EA. The Agency will advise you of any opportunities to apply for funding under the Agency's Participant Funding Program. Information on this program is available at www.ceaa-acee.gc.ca.

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IMPORTANT NOTE: Information that you provide to the Agency is considered to be part of the public record and can only be kept confidential in specific circumstances. Should you have any documents that contain sensitive information that you believe should be protected from release to the public, please contact Rob Hajdú before you provide the documents to us to discuss whether, and if so how, the information can be protected.

Based on a review of the project description, comments received from the public and Indigenous communities, and the Agency's review of the potential for the Project to cause adverse environmental effects in areas within federal jurisdiction, the Agency has determined that a federal EA is required under the *Canadian Environmental Assessment Act, 2012*.

Next Steps in the Federal EA Process & Integration of Crown Consultation Activities

The Agency issued a Notice of Commencement of the EA on August 12, 2016. The Agency is in the process of developing the draft Environmental Impact Statement Guidelines (the draft EIS Guidelines), and has determined that it requires more information from the proponent to adequately assess the nature and scope of the potential project-related environmental effects. Once the additional information has been provided by the proponent, the Agency will provide Kitselas First Nation with a copy of the draft EIS Guidelines and invite you to share any knowledge or perspectives from your community that would benefit the Guidelines or the consideration of environmental effects.

Within 60 days of the start of the EA, the Minister of Environment and Climate Change may also decide to refer the Project to a review panel. A referral to review panel is considered if the Project is likely to cause significant adverse environmental effects, or if concerns are raised related to the potential for significant adverse environmental effects. The input already received in response to determining the need for a federal EA will be provided to the Minister of Environment and Climate Change for her consideration. Additional information on the EA process is available at www.ceaa-acee.gc.ca.

The Agency is responsible for coordinating federal consultation related to section 35 rights that could be adversely impacted by the Project. As such, Crown consultation activities will be integrated into the EA to the greatest extent possible. After the draft EIS Guidelines are finalized, the Agency will propose a consultation plan for discussion with Kitselas First Nation. The Agency understands that relevant correspondence should be directed to Sam Coggins for the duration of the EA.

Provincial Review

The Project is also subject to a provincial review. I refer you to Scott Bailey at the British Columbia Environmental Assessment Office for additional information. Scott may be reached at 250-356-1124 or scott.bailey@gov.bc.ca. Consultation activities associated with the federal and provincial reviews will be coordinated to the extent possible in order to ensure effective consultation takes place with Kitselas First Nation.

Contacting the Agency

Rob Hajdú will be managing the EA and conducting Crown consultation activities for the Project on behalf of the Agency. Please do not hesitate to contact Rob at 604-666-2601 or Rob.Hajdu@ceaa-acee.gc.ca if you have any questions or wish to provide the Agency with information described above relating to the Project and its potential impacts on your section 35 rights. For the month of August, while Rob is away from the office, please copy all inquiries and correspondence to Stefan Crampton at Stefan.Crampton@ceaa-acee.gc.ca or at 604-666-8748.

Sincerely,

<Original signed by>


Lisa Walls
Director
Pacific and Yukon Region

c.c.: Rob Hajdú, Canadian Environmental Assessment Agency
Scott Bailey, British Columbia Environmental Assessment Office
Serena Boutros, Major Projects Management Office
Jacques Benoit, Pacific Future Energy Corporation
Sam Coggins, Director of Lands and Resources, Kitselas First Nation
Karisa Boulton, Manager of Lands and Resources, Kitselas First Nation
Ken McDames Jr., Resource Management Officer, Kitselas First Nation