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# REPORT TO COMMON COUNCIL

M & C – 2015 – 106

June 1, 2015

His Worship Mayor Mel Norton and  
Members of Common Council

Your Worship and Councillors:

**SUBJECT: Energy East Ltd. Project  
Council Update on the NEB Process**

The purpose of this report is to provide an update to Council with respect to where the Energy East Ltd. project proposal is in the National Energy Board (NEB) review process, and the efforts to-date of the interdisciplinary Energy East project team.

## **BACKGROUND**

The Energy East Ltd. project application was filed with the National Energy Board (NEB) in October 2014. In February 2015, the City made application to participate as an intervener in the NEB application review process. In early April 2015, the project proponents announced they would no longer be pursuing construction of the proposed marine terminal and oil storage facility in Cacouna, QC. Instead, they would be actively reviewing and considering alternatives for these proposed facilities as part of a revised scope to the original application (see appendix A).

## **ANALYSIS**

This change to the project scope has meant a delay in terms of the NEB review process and the anticipated construction and in-service dates. At this time, the proponent has indicated they are undertaking further analysis and consultation to assess the viability of other options to accommodate the second marine terminal and oil storage facility and anticipate filing an amendment to the original application in the last quarter of 2015. Given this, a decision has not yet been released by the



The City of Saint John

NEB with respect to which applicants have been approved for intervener status or what the actual hearing process for this pipeline project (the Hearing Order) will be. This information will not become available until after the Board has reviewed the anticipated amendment and made a decision with respect to the completeness of the Energy East Ltd. application.

In terms of the impact on the projects expected construction schedule, the anticipated amendment has meant a delay by an estimated 12 – 18 months. This means that should the project ultimately receive approval from the NEB, the proposed construction date could be early 2018 with an in-service date of 2020.

### **DISCUSSION**

This is the largest interprovincial pipeline project ever proposed in Canada. In terms of the New Brunswick component, there is a significant amount of new pipeline and heavy industrial infrastructure to be accommodated across the province and specifically here in Saint John. Given the scale and the importance of this project to the future of this community and the province, the city has formed an interdisciplinary Energy East project team that includes staff from across the organization as well as community leaders from our socio-economic agencies and organizations.

This group is now moving ahead with formalizing membership and continuing its work with research and information gathering to ensure an integrated and holistic approach is taken to evaluating the broad range of community considerations. The key issues being reviewed at this time include the NEB regulatory process, public safety and emergency service delivery, heavy industrial land use and risk management best practices, and the opportunity to leverage strategic community benefits. The team will also be attending the inaugural East Coast Energy Connection conference being hosted by the Saint John Region Chamber of Commerce on June 9-10 (invitation attached in Appendix B).

### **FINANCIAL CONSIDERATIONS**

On-going research and information gathering efforts as well as active participation by the City of Saint John in the NEB Energy East hearing process (potentially in 2016) require significant internal resource commitments and a coordinated and thoughtful approach by the senior leadership team. Outside expertise may be required to advance discussions and/or support the city's position as this process moves ahead over this year and into 2016. Should outside expertise become a need as this project advances, recommendations for the retaining of expertise to augment City resources will be brought to Council for their consideration.

**CONCLUSION**

The Energy East Ltd. proposal is a national project with the potential for significant new investment to be made across New Brunswick and specifically here in Saint John. The interdisciplinary Energy East project team will continue to advance their research into the NEB process and community best practices and monitor this process for developments. The team remains committed to providing regular updates to Council as per the original resolution.

**RECOMMENDATION**

That Council receive and file this report.

Respectfully submitted,



Jacqueline Hamilton, MURP, MCIP, RPP  
Commissioner,  
Growth & Community Development Services

Neil Jacobsen, MBA  
Commissioner,  
Strategic Services

Kevin Clifford, BBA, CFO  
Fire Chief / Director SJEMO  
City of Saint John


John Nugent  
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City of Saint John



Stacey Forfar, MBA, MCIP, RPP  
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Growth & Community Development Services

Steve Carson  
Enterprise Saint John

Stephanie Rackley-Roach, P.Eng, PMP  
Manager, Corporate Services



J. Patrick Woods, CGA  
City Manager

**Attachments**

**Appendix A:** Notice of future application amendment re: Cacouna Facilities (TransCanada)

**Appendix B:** Invitation to the East Coast Energy Connection Conference (June 9-10)



**TransCanada**

*In business to deliver*

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April 2, 2015

Filed Electronically

National Energy Board  
517 Tenth Avenue S.W.  
Calgary, Alberta  
T2R 0A8

**Attention: Ms. Sheri Young  
Secretary of the Board**

Dear Ms. Young:

**Re: Energy East Pipeline Ltd. (Energy East)  
TransCanada PipeLines Limited (TransCanada)  
Energy East Project and Asset Transfer Applications (together, the  
Application)  
National Energy Board (Board) File OF-Fac-Oil-E266-2014-01 02  
Future Amendment of Application re Cacouna Facilities**

Energy East and TransCanada (together, TransCanada) wish to advise the Board of an amendment to the Application that we anticipate filing in the last quarter of 2015. The amendment will relate to the proposal for a marine terminal and oil storage facilities in Québec.

The Application filed on October 30, 2014 included a marine terminal and oil storage facility to be located adjacent to the existing port of Gros Cacouna in the Province of Québec (Cacouna Energy East marine terminal). Waters off of Gros Cacouna are included within the designated critical habitat for the St. Lawrence Estuary population of beluga whales. In November 2014, the Committee on the Status of Endangered Wildlife in Canada (COSEWIC) recommended the re-designation of this whale population from a threatened to an endangered species. TransCanada immediately announced the suspension of investigative work related to the Cacouna Energy East marine terminal in order to assess the implications of the COSEWIC recommendation for those facilities.

In its Supplemental Report No. 1 dated January 2015, TransCanada confirmed that it had made a decision to stand down from any work at Cacouna to enable further evaluation and stated that an update as to its intentions would be provided at the end of the first quarter 2015. The evaluation has now been completed and the decision made to not proceed with the Cacouna Energy East marine terminal.

Further analysis and consultation is required to assess the viability of other options for the siting of a marine terminal and oil storage facility. Once that analysis is complete, TransCanada will advise the Board of its decision along with the timeframe for filing of the required amendment. At this time, we anticipate filing the amendment in the last quarter of 2015.

In the meantime, TransCanada will continue to provide information to complete its evidence according to the schedule that is set out in Supplemental Report No.2, filed with the Board by way of a separate filing of today's date.

TransCanada asks that the Board continue its consideration of the Application so that a determination of completeness may be made as soon as possible after the amendment is filed.

If the Board has questions about the matters raised in this letter, please contact me or TransCanada's representatives listed in the Application.

Yours truly,

**Energy East Pipeline Ltd. and TransCanada PipeLines Limited**

*Original signed by*

Kristine Delkus  
Executive Vice-President and General Counsel

cc. Carolyn Pharand, Senior Operations Officer, Major Projects Management Office

# Get Connected

JUNE 9-10, 2015

Saint John Trade and Convention Centre

*North America's East Coast is an energy powerhouse.*

The global energy marketplace is evolving quickly, and the East Coast is poised to be a major player. This is your chance to get connected with leaders and pioneers in the energy industry.





East Coast  
**ENERGY CONNECTION**  
Where energy comes together

The Saint John Region Chamber of Commerce is preparing to lead a powerful conversation this summer.

From June 9-10, the Port City will be hosting the inaugural East Coast Energy Connection conference at the Saint John Trade and Convention Centre.

The East Coast is well positioned to seize opportunities as an emerging regional player in the global energy marketplace. The combination of connections on the East Coast is unique. We have storage and distribution, generation and transmission, crude and refined products, connections to the sector, to the industry, to the business community, and to the world.

Businesses in our region are poised to benefit from a rapidly evolving global energy sector and emerging major energy projects on the East Coast of Canada and the United States. This conference is a unique opportunity to learn how we can prepare ourselves for success.

East Coast Energy Connection – presented in conjunction with Port Days – will include sessions from experts on Global Energy Markets, Energy & Business, Energy & Society, and much more.

To find out more visit, [www.TheChamberSJ.com](http://www.TheChamberSJ.com)





**Saint John Region Chamber together with Energy Stakeholders launch new initiative that focuses on East Coast energy potential**

**May 6, 2015 – Saint John, NB** – The Port City will be a gathering place for business and community leaders from across the region to participate in the inaugural *East Coast Energy Connection* conference.

The conference will take place **June 9-10** at the Saint John Trade and Convention Centre, in conjunction with Port Days.

“Our region is an energy powerhouse,” says Pedro Boyra, Canaport LNG’s General Manager. “World energy markets are evolving quickly, and the whole Eastern Seaboard is poised to be a major player. This conference is a unique opportunity to learn how we can prepare ourselves for success.”

East Coast Energy Connection will feature distinguished speakers from organizations such as Shell, the Department of Natural Resources Canada, the U.S. Chamber of Commerce’s Institute for 21st Century Energy, Emera, PENN State - Marcellus Institute for Outreach and Research, University of Calgary, Cape Breton University, Nalcor, NB Power, the Oil and Gas Journal, Lorneville Mechanical, Innovatia, Opportunities New Brunswick, Trans Canada and many more.

“The East Coast is an emerging regional player in the global energy marketplace,” says Grant Kimball, Chair of the conference task force and incoming Chair of the Chamber. “Our unique combination of energy connections includes refining, generation, storage, distribution, and transmission infrastructure with connections to the sector, to the industry, to the business community, and to the world.”

**Topics to be covered:**

- How the North American and global energy sector is increasingly impacting our region
- Regional major energy project investment overview
- Emerging supply chain development opportunities
- How energy infrastructure investments will transform the international northeast region
- How the energy sector and major energy projects support economic diversification, innovation, and the creation of new business opportunities for our region
- Exploring engagement and partnership best practices while facilitating responsible energy development

East Coast Energy Connection’s task force includes the Atlantica Centre for Energy, City of Saint John, Emera New Brunswick, Enterprise Saint John, EY, Government of New Brunswick, Irving Oil, Port Saint John, Shred Guard and the University of New Brunswick.

“This event is a true collaboration by many partners,” says David Duplisea, CEO of the Chamber. “It speaks to our united belief that our region is emerging as a global energy player. The conference is also

an opportunity to celebrate and highlight the many innovative energy facilities and businesses we have here”

Sponsors to date include Atlantica Centre for Energy, Canaport LNG, City of Saint John, Emera New Brunswick, EY, Progress Media, National PR, Port Saint John, Shred Guard, and the University Of New Brunswick.

To register for the East Coast Energy Connection conference, and to find out more, please visit:  
<http://www.theChamberSJ.com/>

*The Saint John Region Chamber of Commerce is a nationally accredited business organization dedicated to fostering an economic climate that enhances growth, prosperity, and an improved quality of life in the community. With close to 1000 businesses, representing the interests of 37,000 people, The Chamber is a dynamic advocate and the principal voice for the business community of Greater Saint John. It offers a variety of programs, activities, services, and networking opportunities designed to enhance the business prospects of members and the overall business climate of the area.*

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**For more information contact:**

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