



City of Richmond

Report to Committee




To: General Purposes Committee **Date:** October 16, 2012
From: Cecilia Achiam, MCIP, BCSLA **File:**
Interim Director, Sustainability and District
Energy
Re: **Proposed Jet Fuel Delivery Project Environmental Assessment Process
Update**

Staff Recommendation

1. That having reviewed the Vancouver Airport Fuel Delivery (VAFD) proposed Highway 99 pipeline route option, the City reiterate its position by stating that City Council continues to be opposed to the transportation of jet fuel on any arm of the Fraser River;
2. That the City continue to participate in the Environmental Assessment Office (EAO) and Oil and Gas Commission (OGC) processes;
3. That letters be sent to the local MPs, MLAs, the Federal and Provincial Ministers of the Environment, the Prime Minister, the Premier, the Provincial and Federal Opposition Leaders, the Vancouver Airport Fuel Facilities Corporation (VAFFC), Delta Council, Metro Vancouver and the VAFFC consortium under the Mayor's signature reiterating Richmond City Council's opposition to the proposal generally, and in opposition to the transportation of jet fuel on any arm of the Fraser River; and
4. That the City seek a meeting with Hon. Terry Lake, Minister of Environment to reiterate Richmond's opposition to the proposal and the transportation of jet fuel on the Fraser River and seek an alternative solution such as the continued use of the existing jet fuel line.

Cecilia Achiam,
Interim Director, Sustainability and District Energy
(604-276-4122)

Att. 2

REPORT CONCURRENCE				
ROUTED TO:		CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Engineering		<input checked="" type="checkbox"/>		
Fire Rescue		<input checked="" type="checkbox"/>		
Policy Planning		<input checked="" type="checkbox"/>		
Transportation		<input checked="" type="checkbox"/>		
REVIEWED BY SMT SUBCOMMITTEE		INITIALS: 	REVIEWED BY CAO	INITIALS: 

Staff Report

Origin

Since the last update to Council, the Vancouver Airport Fuel Facilities Corporation (VAFFC) has received conditional preliminary approval from the Ministry of Transportation and Infrastructure to consider the use of Highway 99 for its proposed pipeline route (**Attachment 1**).

In addition, the Environmental Assessment Office (EAO) has provided an updated schedule for the Environmental Assessment (EA) process for the Vancouver Airport Fuel Delivery Project (VAFD) (**Attachment 2**). The EAO is holding an advisory technical Working Group (Working Group) meeting on October 22 and 23rd to discuss the draft Assessment Report from the EAO, which staff will attend.

Under the harmonized provincial/federal environmental assessment review process as defined by the *BC Environmental Assessment Act*, this EA review and comment period represents the **final** opportunity for comments by the Working Group.

The stakeholders are given until November 9, 2012 to provide comments back to the EAO prior to their preparation of the Final Assessment Report, Consultation Report and Referral Package to inform the provincial ministers making the decision on the jet fuel delivery system proposal. Based on this time line, the Regular Council Meeting on October 22, 2012 represents the only formal opportunity for Richmond residents to address Council on this proposal.

As per Council direction, City Staff are continuing to provide technical input to the EAO, through the Working Group to assert the City's strong opposition to the project as proposed. Staff will be participating in a two-day Working Group meeting on October 22 -23, 2012 to provide comments directly to the VAFFC, and clarify issues of potential concern. Staff will then submit final written comments to the EAO prior to the November 9th deadline based on Council's direction from the October 22 Council meeting and technical discussions in the Working Group meeting.

Analysis

This report reconfirms Council's opposition and the ongoing concerns of staff regarding the proposed jet fuel delivery system project and provides high level summary of the Richmond staff technical comments that will be used to guide staff participation in the upcoming technical Working Group meeting on the EAO Assessment Report.

Council's Position on the Proposed Project

The proposed jet fuel delivery system has been reviewed by Council on numerous occasions including Jun 8, 2009; January 25, 2010; April 26, 2010; March 28, 2011; April 4, 2011; September 12, 2011; and January 23, 2012.

Council has maintained its strong opposition to the proposed project. Council have stated for the record that, should a new jet fuel supply system to YVR be deemed necessary by senior levels of government, Richmond's preference would be an option that:

- a) results in no net gain of jet fuel line length on Lulu Island;
- b) does not include an off-loading facility on the south arm of the Fraser River;
- c) avoids farmland and urban areas of Richmond; and
- d) continues the use of the existing Kinder Morgan Pipeline route, with upgrading if necessary.

Overview of Technical Staff Comments

Following Council direction to continue to participate in the Working Group as part of the EA process, Staff have been monitoring the VAFFC submission to ensure that proper EA processes have been followed and to keep Council informed of the process.

Staff have also been working within other members of the Working Group, including Environment Canada, the Department of Fisheries and Oceans, and other regulatory agencies. After extensive review of the available documents and discussions with stakeholders, staff continue to communicate their concerns to the EAO and the VAFFC team over technical aspects of the project as proposed.

There remain concerns regarding the potential impacts of spills on the Fraser River, and the assumptions built into the Risk Assessment for such spills, and the effectiveness of the proposed mitigation measures. Staff will have an opportunity to review and to provide advisory comments on the Biofilm Impact study requested by Environment Canada prior to the November 9th, 2012 deadline for comment.

The VAFFC has not yet committed to any content or timeline for completion of a Municipal Access Agreement. This raises several concerns, including the commitment of the VAFFC to carry out construction and operation in a manner consistent with community standards as outlined in the Traffic Control and Regulation Bylaw, Noise Regulation Bylaw, Pollution Prevention and Cleanup Bylaw, Tree Protection Bylaw, and other Community Bylaws which may not apply to a project administered by the *Oil and Gas Activities Act*. Further, the "safety buffer" around the pipeline route required by the Act is not yet defined. The scale and type of buffer may put an onerous burden on the City's utility and road maintenance activities, and create an unreasonable indemnity situation for the City.

As the final proposed routing of the pipeline was not received by the City until very recently, specific impacts on City's utility corridors, road infrastructure, tree inventory, parks and trails, dike infrastructure, Riparian Management Areas and the current OCP Environmentally Sensitive

Areas (ESAs) remain uncertain. Staff will provide the VAFFC a comprehensive outline of the standards expected for construction projects in the City, and will expect the VAFFC to commit to those standards. This list will include the proposed 2041 OCP Ecological Network updated ESA requirements and information in the draft 2012 ESA Management Strategy.

Overview of Richmond Fire Rescue Comments

Richmond Fire Rescue's (RFR) response to the Vancouver Airport Fuel Facility Corporation (VAFFC) proposal remains unchanged from earlier reports to council. The ongoing Environmental Assessment proposal to date has not included an in-depth study of the fire related risks and mitigation strategies.

RFR asserts that for all fire related purposes, RFR be recognized as the Authority having Jurisdiction which would allow the City of Richmond to have the fuel facility engineered, built and inspected and maintained to the same legislative standard as all other structures within the City.

RFR continues to assert that if the project is to proceed there would be a need for the VAFFC to provide funding equivalent to that which would allow RFR to build, staff, equip and maintain a fire hall in close proximity to the proposed tank farm. In earlier reports to Council, RFR has asserted a need for marine based firefighting capability in the form of a fire boat. The fire boat has become increasingly necessary with the Metro Vancouver Fire Boat Consortium advising that fire boat service will only be provided to the Vancouver Inner Harbour leaving the City with no marine based fire fighting capability.

In conclusion, RFR has submitted several conditions into the Environmental Assessment panel including:

1. The need for a comprehensive Fire Safety Plan including recognition of RFR being the Authority Having Jurisdiction;
2. The installation of a fully equipped and staffed fire hall;
3. A fire boat;
4. A fully automated fire detection and suppression systems at the tank farm; and
5. All of the above items to be provided and maintained at the VAFFC's cost.

It is RFR's position that the current infrastructure and development within the area proposed by the VAFFC for the fuel facility is a low fire risk area which can be currently serviced by the resources available within the City. However, with the addition of an off loading facility, tank farm, large ships, volatile fuel and pipeline the fire risk in this area significantly increases and requires all of the above mentioned conditions be met for the City of Richmond to adequately address the new and significant risk.

Future Processes

The process defined by the BC Environmental Assessment Act sets specific timelines for consultation and decision phases. With the current Working Group consultation, the proposed project is in the final consultation phase. Following the November 9, 2012 deadline for comments, the EAO, working with Port Metro Vancouver (as the Federal agency overseeing the

harmonized process) will prepare an Assessment Report, Draft Certificate and Table of Conditions to accompany the referral to the Ministers, due in the week of November 19, 2012. The EAO makes the final decision on what items are included in the referral documents.

The Ministers will then have 45 days to review the referral documents, prior to making a decision. The Ministers may grant approval or deny the EA Certificate, and have the legislative power to make changes to the Certificate and Table of Conditions referred by the EAO, although this provision is rarely used.

As noted in previous report to Council, titled "Vancouver Airport Fuel Delivery Project (VAFD) – Environmental Assessment Update" dated January 5, 2012, a separate Municipal Access Agreement (MAA) will be required for the pipeline crossing within municipally owned road right of ways. An MAA, which is to be negotiated, is a tool to describe how the operations and maintenance implication of a jet fuel pipeline in a municipal roadway will be addressed. The MAA cannot preclude the installation of the jet fuel pipeline should the proposed project be approved by senior governments.

The VAFD project is also subject to the *Oil and Gas Activities Act* which is an independent process with specific technical requirements relating to pipeline design and construction. The VAFFC submitted a preliminary Pipeline Permit Application to the BC Oil and Gas Commission (OGC) on Feb 10, 2011. At any time, the VAFFC may submit a full application for a Pipeline Permit from the OGC.

The OGC application review process includes some stakeholder consultation; however the jurisdiction of the OGC review is strictly legislative assuring the pipeline is installed to the standards defined by Federal and Provincial law. It is unclear when that the VAFFC will be submitting a full application to the OGC. The OGC does not review the environmental, social, or economic implications of the pipeline installation or the project as a whole. The OGC process is open-ended, as there is no fixed deadline for plan review and approval. City participation in the pipeline design phase of the process is recommended to anticipate and prevent engineering conflicts in the event the propose project is approved.

Recommendation

By all indication, the VAFFC has been following the processes of the EA and Pipeline applications carefully to date. If an EA Certificate and a Pipeline Permit are issued, options to address the City's concerns and objections may be limited and potentially costly. As such, staff recommend that:

1. the City continue to reiterate its Council's strong opposition to the transportation of jet fuel on any arm of the Fraser River having reviewed the Vancouver Airport Fuel Delivery (VAFD) proposed Highway 99 pipeline route option;
2. the City continue to participate in the EAO and OGC processes;
3. letters be sent, once again, to the local MPs, MLAs, the Federal and Provincial Ministers of the Environment, the Prime Minister, the Premier, the Provincial and Federal

Opposition Leaders, the VAFFC, Delta Council, Metro Vancouver and the VAFFC consortium under the Mayor's signature reiterating Richmond City Council's opposition to the proposal generally, and in opposition to the transportation of jet fuel on any arm of the Fraser River; and

4. the City seek a follow up meeting with Hon. Terry Lake, Minister of Environment to reiterate Richmond's opposition to the proposal and the transportation of jet fuel on the Fraser River and seek an alternative solution such as the continued use of the existing jet fuel line.

Financial Impact

At this point, there is little cost to the City, other than staff time for technical review as part of the technical Working Group, if Council wishes to simply continue the City's participation in the EA process.

Conclusion

Upon receiving specific direction from Council, staff will continue to take all possible actions to support Council's position on the jet fuel delivery systems project and ensure that the City does not forego viable solutions that may result in receiving positive benefits to the community.



Cecilia Achiam
Interim Director, Sustainability and District Energy
(604-276-4122)

Attachment 1	Letter from VAFFC dated October 9, 2012 titled "Vancouver Airport Fuel Delivery Project Update-Pipeline Route Selection"	REDMS#3689021
Attachment 2	EAO Revised Project Schedule updated September 28, 2012	REDMS#3689015



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October 9, 2012

Rachel Shaw
Project Assessment Director
BC Environmental Assessment Office
1st Floor 836 Yates St
PO Box 9426 Stn Prov Govt
Victoria BC V8W 9V1

**Re: Vancouver Airport Fuel Delivery Project Update
Pipeline Route Selection**

Dear Rachel:

On September 18, 2012, VAFFC received conditional preliminary approval from the Ministry of Transportation and Infrastructure to consider the use of Highway 99 in its proposed pipeline route for the Vancouver Airport Fuel Delivery Project. This confirms the route as identified in our earlier letter of February 17, 2012, which included Francis Road, Highway 99, Bridgeport Trail, Van Horne Way, Charles Street and the No 3. Road right of way within the City of Richmond. Remaining sections of the pipeline remain on federal land administered by Port Metro Vancouver and the Vancouver Airport Authority.

We will be commencing our application to the Oil & Gas Commission shortly, and will determine with the Oil & Gas Commission any additional consultation that they may require for that process. We will advise you of these activities once they are confirmed.

Please contact me if you have any questions or clarifications regarding the route selection, public feedback or other information regarding the pipeline route. I trust this confirmation meets your requirements for the Assessment Report and Certified Project Description.

Sincerely,
Vancouver Airport Fuel Facilities Corporation



Adrian Pollard, P.Eng.
Project Director

CC: Carrie Brown – Port Metro Vancouver
Mayka Kennedy – Oil and Gas Commission
Robert Gonzales – City of Richmond

ENVIRONMENTAL ASSESSMENT OFFICE

Projected Schedule of Major Steps for Application Review Stage

Proposed Vancouver Airport Fuel Delivery Project

Please note that these are anticipated dates for work planning and scheduling; these dates may be subject to change.

Activity	Target Date	Responsibility
Submitted Application for EAO evaluation against AIR. Includes Public Consultation Plan.	Jan 5, 2011	Proponent
Comments from WG Screening Group Due (tentative: telecom Jan 25 9am to 11am)	Jan 21, 2011	WG Screening Group
Evaluated and EAO decision rendered on accepting Application for EA Certificate	Feb 4, 2011	EAO
Produced and distributed copies of the Application	Feb 18, 2011	Proponent
Commencement of 180 day review period – project documents posted on EAO website	Feb 18, 2011	EAO
60-day public review and comment period	Feb 25 to April 26, 2011	EAO Proponent
Full working group meeting to initiate review of the Application	March 2, 2011	First Nations, Federal, Provincial, Local governments
Public Open House (Richmond) and Presentations	March 7, 2011	EAO, OGC, PMV Proponent
Full/partial /technical working group meeting (s)	March 10 to May 24, 2011	First Nations, Federal, Provincial, Local governments
Comments due on the Application from First Nations, Federal government, provincial government and local government (1 month after start of review)	March 18, 2011	Public First Nations, Federal, Provincial, Local governments
Project EA (180 day clock) Suspended for 120 days or until addenda are provided and reviewed by EAO	April 28, 2011	EAO
Responses from the Proponent to First Nations, and agency comments (Issues Tracking Table) to WG for review	July 13, 2011	Proponent / EAO
Working Group comments due on Issues Tracking Table	August 19, 2011	First Nations, Federal, Provincial, Local governments
Responses from the Proponent to public	Oct 26, 2011	Proponent
Proponent submits First Nations Consultation report to EAO	Oct 28, 2011	Proponent
Submission of additional EA information on Highway 99 route alternative and EAO review (1 week)	Nov 2 - 9, 2011	Proponent

ENVIRONMENTAL ASSESSMENT OFFICE

Activity	Target Date	Responsibility
Working Group review of Hwy 99 information (2 weeks) with teleconference on Nov 18, 2011; comment back to EAO by Nov 23	Nov 14 to 25, 2011	WG
Proponent revisions to issues tracking table, to EAO and agencies in preparation for WG meeting	Week of Nov 14	Proponent
WG meeting to discuss outstanding issues including Spill Response Plans and Proponent response to issues tracking (Vancouver)	Nov 30, 2011	First Nations, Federal, Provincial, Local governments
Suspension lifted by EAO - Day 70 of 180 day review	Jan 4, 2012	EAO
Public Comment Period on Hwy 99 Addendum (Open House Jan 28)	Jan 11 to Feb 1, 2012	Proponent, EAO
Working Group meeting to discuss potential commitments regarding draft Spill Response Plan	Jan 24, 2012	First Nations, Federal, Provincial and local governments, EAO, Proponent
First Nations Working Group meeting to discuss potential commitments regarding First Nations Fisheries (and possibly other topics)	Jan 24, 2012	First Nations, EAO, Proponent
Proponent to provide responses to public comments	Feb 14, 2012	Proponent
Project EA (180 day clock) Suspended until additional spill consequence information is provided and reviewed by EAO/PMV (day 133 of 180-day review)	March 7, 2012	EAO
EAO draft First Nations Consultation Report circulated to First Nations for Review for four week review. Comments due July 19, 2012 and July 31, 2012	June 21, 2012 and July 5, 2012 (HTG only)	First Nations, EAO
Comments due from First Nations on EAO's draft First Nations Consultation Report	July 19, 2012 and July 31, 2012	First Nations
Proponent to confirm route alignment	September 19, 2012	Proponent
EAO draft Assessment Report & draft Table of Conditions – Circulated to Working Group (without First Nations section) for four-week review (comments due November 9, 2012).	October 12, 2012	First Nations, Federal, Provincial and local governments, EAO, Proponent
Working Group meeting to discuss the draft Assessment Report and Table of Conditions	Week of October 22, 2012	First Nations, Federal, Provincial and local governments, EAO

ENVIRONMENTAL ASSESSMENT OFFICE

Activity	Target Date	Responsibility
Comments due from the Working Group on first draft of Assessment Report & Table of Commitments	November 9, 2012	First Nations, Federal, Provincial and local governments, EAO, Proponent
EA suspension lifted (day 133 of 180-day review)	Pending	First Nations, Federal, Provincial and local governments, EAO, Proponent
EAO/PMV Prepares Final Assessment Report, Consultation Report and Referral Package for Ministers for internal review	Early-mid November 2012	EAO, PMV
First Nations provide to EAO with any separate submissions that they would include in the referral package for Ministers	November 16, 2012	First Nations, EAO
Referral	Week of November 19, 2012	EAO
Ministers Decision on whether to grant an EA Certificate	Likely within 45 days of EAO's referral	Ministers