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Sent via email

#### Attention: Mr. Talabi and Mr. Ripley

#### Re: Request for an environmental impact assessment of the Pathways Alliance CCS Project

On behalf of the Athabasca Chipewyan First Nation, the Alberta Wilderness Association, Climate Action Network Canada, Environmental Defence Canada, and No to CO2 (together, the "Interested Parties"), I write to respectfully request that the relevant Director of the Alberta Energy Regulator (AER) or the Alberta Environment and Protected Areas order an environmental impact assessment (EIA) of the Pathways Alliance CO<sub>2</sub> Transportation Network and Storage Hub Project (the "Project").

As outlined below, the Director has the discretion under the *Environmental Protection and Enhancement Act* (EPEA) to require an EIA of the activities that comprise the Project: the addition of carbon capture infrastructure at oil sands facilities, the construction and operation of carbon dioxide (CO<sub>2</sub>) pipelines, and the injection and storage of CO<sub>2</sub> underground.

In order to advance the purposes of EPEA and ensure that the Project does not have significant adverse impacts on the regional environment and local communities, including on Aboriginal and Treaty rights, we urge the Director to exercise their discretion and require an EIA of these activities as a single project. This EIA should occur before the AER decides on the regulatory applications that Pathways Alliance has started submitting to the AER. Further, given the magnitude of this Project, we request that the AER hold a public hearing on the Project.

## I. The Pathways Alliance Project

The Pathways Alliance consists of Canada's six largest oil sands producers: Canadian Natural Resources Ltd (CNRL), Cenovus Energy, ConocoPhillips Canada, Imperial Oil, MEG Energy, and Suncor Energy. These producers operate facilities accounting for 95% of Canada's oil sands production.

The Pathways Alliance is planning to develop a carbon capture and storage (CCS) project that would capture  $CO_2$  from 13 oil sands facilities in the Lower Athabasca Region and transport this  $CO_2$  via over



600 km of pipeline to the Cold Lake area, where it would be injected underground for storage. Pathways Alliance is in the process of applying for regulatory approvals for the Project.

## II. The Interested Parties

The Athabasca Chipewyan First Nation (ACFN) are K'ai Tailé Dënesuliné, which means "people of the land of the willow." ACFN's territory is centred on the Peace Athabasca Delta (PAD), one of the largest freshwater deltas in the world, the health of which is essential to the health of ACFN. The oil sands are located within ACFN's territory and their primary community (Fort Chipewyan), their reserves, and the PAD are located downstream. ACFN is a signatory to Treaty 8, which acknowledges their inherent and cultural connection to the land. Members of ACFN continue to exercise their inherent, Aboriginal, and Treaty rights, including the right to hunt, trap, collect food, and fish throughout their territory. Many of the participating oil sands facilities are located in ACFN's territory, the Transportation pipeline will be built on ACFN's territory, and ACFN will be impacted by the direct effects of the Project as well as the indirect effects of the Project on oil sands expansion.

The Alberta Wilderness Association (AWA) is an organization that works for the protection of Alberta's wilderness, which provides habitat for wildlife and clean drinking water for all Albertans. For over 50 years and with more than 7,000 members and supporters across Alberta and globally, AWA has raised the profile of Alberta's wilderness and has inspired communities to care by educating Albertans about the values of their wilderness and wildlife.

Climate Action Network – Réseau action climat Canada ("CAN-Rac") is a network of organizations taking action on climate and energy issues in the land currently called Canada. It works to forge connections and build consensus for transformative climate action and justice, at home and internationally.

Environmental Defence Canada is a national environmental charity with 40 years of experience engaging in public education, research and community outreach on environmental issues. Environmental Defence has extensive expertise in Canadian energy issues, in particular, examining the risks posed by oil infrastructure on ecosystems and communities. Environmental Defence has participated actively in several environmental assessments, as well as environmental law reform processes over the past decade.

"No to CO2" is a grassroots, nonpartisan organization of friends and neighbors in the County of St. Paul and M.D. of Bonnyville, Alberta. It is concerned with protecting their land and preserving their quality of life. Many of its members represent multi-generational family farms that are the cornerstones of their community. To date, No to CO2 has hosted multiple town hall meetings to raise awareness of relevant issues such as potential harms of CCUS, landowner rights, and its implications for the taxpayer. It has engaged local government and media, like-minded organizations, and reached out to the broader community through informational mailout and sign campaigns. Portions of the Project are expected to be built on and around their lands and CO<sub>2</sub> will be injected under their communities.

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# III. Statutory and regulatory framework

The *Environmental Protection and Enhancement Act* (EPEA) and its regulations outline Alberta's environmental assessment process. As stated in EPEA, the purposes of the environmental assessment process are:

- (a) to support the goals of environmental protection and sustainable development,
- (b) to integrate environmental protection and economic decisions at the earliest stages of planning an activity,
- (c) to predict the environmental, social, economic and cultural consequences of a proposed activity and to assess plans to mitigate any adverse impacts resulting from the proposed activity, and
- (d) to provide for the involvement of the public, proponents, the Government and Government agencies in the review of proposed activities.<sup>1</sup>

Sections 43 and 44 of EPEA empower the Director to decide whether further assessment of a proposed activity is required and state that the Director must consider the following factors in making this decision:

- (a) the location, size and nature of the proposed activity;
- (b) the complexity of the proposed activity and the technology to be employed in it;
- (c) any concerns in respect of the proposed activity that have been expressed by the public of which the Director is aware;
- (d) the presence of other similar activities in the same general area;
- (e) any other criteria established in the regulations;
- (f) any other factors the Director considers to be relevant.<sup>2</sup>

For activities that the Director decides that further assessment is required, s.45 of EPEA requires the Director to prepare a screening report and decide whether the proponent should prepare and submit an environmental assessment report.

The Environmental Assessment (Mandatory and Exempted Activities) Regulation (the "Regulation") determines the activities for which the Director can require an EIA.<sup>3</sup> Activities that are listed as "mandatory" must undergo an EIA. Activities that are listed as "exempted" are not required to undergo an EIA. Under the Regulation, exempted activities include:

- (a) construction, operation, or reclamation of a pipeline
  - ...
  - (v) with a length in kilometres times diameter in millimetres resulting in an index number of less than 2690;

<sup>&</sup>lt;sup>1</sup> Environmental Protection and Enhancement Act, RSA 2000 c E-12 (EPEA), s.40.

<sup>&</sup>lt;sup>2</sup> EPEA, s.44(3).

<sup>&</sup>lt;sup>3</sup> Environmental Assessment (Mandatory and Exempted Activities) Regulation, Alta Reg 111/1993.



The Regulation gives the director discretion to require an EIA for pipelines with an index number equal to or greater than 2690.

The Regulation includes the "the drilling, construction, operation or reclamation of an oil or gas well" as an exempted activity. There is no definition of "oil and gas well" in EPEA or the Regulation, though "well" is defined in EPEA as "an orifice in the ground that is completed or drilled for … injection into an underground formation".<sup>4</sup> Nevertheless, the definition of "gas" in the Oil and Gas Conservation Act is focused on fossil gas and does not refer to captured CO<sub>2</sub>.<sup>5</sup> This suggests that the definition of "oil and gas well" in the Regulation - as contemplated by Alberta's regulatory regime - does not include a CO<sub>2</sub> injection well. As such, this suggests that the Director can require an EIA for the development of CO<sub>2</sub> injection wells associated with the Project.

The Director also has discretion to require an EIA for carbon capture infrastructure and the storage of CO<sub>2</sub> because these activities are not listed as either "mandatory" or "exempted" in the Regulation. Further, it is not apparent that they would be covered by other activities on the relevant Schedules.

## IV. The Director can require an EIA for the Project

According to the Pathways Alliance's description of the Project, there are three types of pipelines in the CO<sub>2</sub> Transportation Network:<sup>6</sup>

Pipeline Type	Length	Diameter	Index Number	
Laterals (16)	1-19 km	8-30 inches	202 2 - 27 228	
	203.2-762.0 mr		203.2 - 37,330	
Transportation line (1)	400 km	24-36 inches	243,840 - 365,760	
	400 KIII	609.6-914.4 mm		
Hub distribution line (1)	170 km	24-36 inches	103,632 – 115,448	
	170 KIII	609.6-914.4 mm		

Using the formula for the pipeline index number in Schedule 2 (a)(v) of the Regulation, it is apparent that the index numbers for the Transportation Line, the Hub Distribution Line, and some of the Lateral pipelines are greater than 2690. Some are 35-155 times greater, making them major pipeline projects. As such, the Director can require Pathways Alliance to prepare and submit an EIA report for those pipelines.

Since the Regulation does not include carbon capture infrastructure, CO<sub>2</sub> injection wells, or CO<sub>2</sub> storage as mandatory or exempted activities, the Director can also require Pathways Alliance to prepare and submit an EIA report for these activities.

<sup>&</sup>lt;sup>4</sup> EPEA s.1(1)(aaaa)(i)(B)

<sup>&</sup>lt;sup>5</sup> Oil and Gas Conservation Act, RSA 2000, c O-6, s.1(1)(y)

<sup>&</sup>lt;sup>6</sup> CNRL (Aug 2023) *Pathways CO*<sub>2</sub> *Transportation Network and Storage Hub Project – Project Overview* ("Pathways Project Overview"), p.12.



# V. The Director should require an EIA for the Project

To carry out the purposes of EPEA and based on the factors set out in s.44(3)(a)-(f) of EPEA, the Director should require Pathways Alliance to prepare and submit an EIA report for the Project. These factors are discussed below:

## (a) the location, size and nature of the proposed activity

The size of the Project –the number of participating oil sands facilities, the length of the pipelines, and the extent of the carbon storage area – as well as the nature of the Project support the need for an EIA of the Project.

The Project is located in the Lower Athabasca Region and is intended to reduce the GHG emissions of the oil sands industry by 10-12 million tonnes (Mt)  $CO_2$ /year by 2030. There are 13 oil sands facilities spread across the Lower Athabasca Region that will participate in the Project. They will each capture  $CO_2$  from their process emissions and transport the  $CO_2$  via "lateral" pipelines over a distance of 1-50 km to the "Transportation Line" (depending on the relative locations of the facilities).<sup>7</sup>

The Transportation Line is a pipeline that is 330 km in length, running from north of Fort McMurray to south of Cold Lake.<sup>8</sup> It will connect to the "Hub Distribution Line," a pipeline that is 120 km long, which will transport the  $CO_2$  to the "CO<sub>2</sub> Storage Hub."<sup>9</sup>

 $CO_2$  Storage Hub infrastructure consists of 16-19 injection wells. Each well site will have a surface footprint of approximately  $130m^2$ .<sup>10</sup> At these wells, the  $CO_2$  will be injected into the Basal Cambrian Sandstone, a geologic formation that is 1-2 km underground.

While Pathways has not specified the exact area of land under which it intends to inject CO<sub>2</sub>, an Alberta government map of carbon sequestration in the province indicates that CNRL (which is advancing the Project on behalf of Pathways) has an evaluation permit for an area that is approximately 18,000 km<sup>2</sup> in size.<sup>11</sup> This area encompasses or is adjacent to eight reserves of five First Nations as well as several municipalities.<sup>12</sup> It is within 10 km of three other First Nations' reserves.<sup>13</sup> It overlaps part of the Cold Lake Air Weapons Range and the range of the Cold Lake boreal caribou population. It is also adjacent to carbon storage areas for which other companies hold evaluation permits.<sup>14</sup>

The nature of CCS is resource intensive and – particularly in this case - involves the management of large volumes of  $CO_2$  over a significant geographical area and long periods of time. CCS introduces the

<sup>&</sup>lt;sup>7</sup> Pathways Project Overview, p.12.

<sup>&</sup>lt;sup>8</sup> Pathways Project Overview, p.12.

<sup>&</sup>lt;sup>9</sup> Pathways Project Overview, p.12.

<sup>&</sup>lt;sup>10</sup> Pathways Project Overview, p.12.

<sup>&</sup>lt;sup>11</sup> Government of Alberta (2023) Carbon Sequestration, <u>online</u> ("Alberta Carbon Sequestration Map")

<sup>&</sup>lt;sup>12</sup> Reserves include: Saddle Lake 125 (Saddle Lake Cree Nation), Kehewin 123 (Kehewin Cree Nation), Puskiakiwenin 122 and Unipouheos 121 (Frog Lake Nation), Makaoo 120 (Onion Lake Cree Nation), and Cold Lake 149, Cold Lake 149B, Cold Lake 149C (Cold Lake First Nations).

<sup>&</sup>lt;sup>13</sup> Nearby reserves include: Heart Lake 167 (Heart Lake First Nation), Beaver Lake 131 (Beaver Lake Cree Nation), and Whitefish Lake 128 (Whitefish Lake First Nation).

<sup>&</sup>lt;sup>14</sup> Alberta Carbon Sequestration Map



following risks and impacts to the regional environment and local communities, which must be rigorously assessed in an EIA:

- Capturing carbon is an energy intensive process and oil sands facilities will most likely use natural gas to power the capture and compression equipment.<sup>15</sup> This will have air emissions that will impact local air quality and contribute to climate change.
- Carbon capture infrastructure requires significant amounts of water to cool the equipment, which will be taken from the Lower Athabasca watershed, adding to the existing and significant cumulative impacts on water quantity and navigability in the region.
- When compressed and transported in a pipeline, CO<sub>2</sub> is put under high pressure, making it highly volatile. This creates a high risk of dangerous explosions, which endangers nearby communities, other pipelines in a shared right of way, and the surrounding environment.
- When leaked, CO<sub>2</sub> is an asphyxiant and displaces oxygen in the air. Since it is colourless and odourless, CO<sub>2</sub> escapes easy detection and makes leaks hard to observe and avoid. This makes it dangerous for nearby communities and requires an emergency response plan, which is currently not required in Alberta for CO<sub>2</sub> pipelines.
- For the Project to achieve its objectives, the CO<sub>2</sub> must be stored permanently, and cannot leak back into the atmosphere. There is significant uncertainty about the potential for stored carbon to leak from underground storage sites,<sup>16</sup> which would exacerbate the climate crisis. This concern is particularly relevant for the Project as the size of the carbon storage area under consideration increases the potential for leaks.
- Stored CO<sub>2</sub> may contaminate groundwater by causing contaminants (e.g. lead and arsenic) to leach from rocks, creating an environmental and health hazard if drinking water sources are affected.<sup>17</sup> Again, this concern is particularly relevant for the Project as the size of the carbon storage area under consideration means more interaction with contaminants, groundwater, and communities.

All of these risks and impacts have the capacity to impair the Aboriginal and Treaty rights of ACFN and/or of other local Indigenous communities to hunt, fish, trap, gather, and practice their traditional way of life. Potential impacts – both project-specific and cumulative - on Aboriginal and Treaty rights must be assessed as part of the EIA.

It is notable that the Project is the largest CCS project that has been proposed in Canada. For reference, the Project is larger in every sense than Shell Canada's Quest Carbon Capture and Storage Project (the "Shell Quest Project"), which was required to undergo a joint federal and provincial EIA in 2010.<sup>18</sup>

 <sup>&</sup>lt;sup>15</sup> Cameron, L. & Carter, A. (2023) *The Bottom Line: Why Carbon Capture is not a Net-Zero Solution for Canada's Oil and Gas Sector*, International Institute for Sustainable Development, <u>online</u>. (*"IISD: Why carbon capture is not a net-zero solution."*)
<sup>16</sup> Anderson, S. (2017) *Risk, Liability, and Economic Issues with Long-Term CO2 Storage—A Review*, Natural Resources Research 26, pp.89–112, <u>online</u>.

 <sup>&</sup>lt;sup>17</sup> Zheng, L. et al. (2021) Potential impacts of CO2 leakage on groundwater quality of overlying aquifer at geological carbon sequestration sites: A review and a proposed assessment procedure, Greenhouse Gases: Science and Technology 11(5), <u>online</u>.
<sup>18</sup> Alberta (2010) Final Terms of Reference – Environmental Assessment Report for the proposed Shell Quest Carbon Capture and Storage Project, <u>online</u>; Alberta (2010) EIA Required Letter - D.Johnson (ABEV) to K.Penney (Shell Canada), <u>online</u>



	CO <sub>2</sub> Captured	# of facilities	Pipeline length	# of injection wells	Injection area
Shell Quest	1.2 Mt/yr	1	84 km	10	3,700 km <sup>2</sup>
Pathways Alliance	10-12 Mt/yr	13	> 600 km	16-19	18,000 km²

### (b) the complexity of the proposed activity and the technology to be employed in it

Pathways Alliance has not provided much information about the complexity of the Project or the technology to be employed. However, it is readily apparent that undertaking a carbon capture, transportation, and storage project – particularly of this magnitude - is a complex activity that requires an EIA.

The Project involves:

- The chemical separation of 10-12 Mt of CO<sub>2</sub>/year by 2030 from industrial air emissions at 13 different oil sands facilities;
- The compression of captured CO<sub>2</sub> into a pressurized liquid and its transportation over 600 km crossing through boreal forest and the territories of several Indigenous communities, traplines, Crown and privately owned land, watercourses, caribou habitat, and a federal air weapons testing range; and
- The injection of liquid CO<sub>2</sub> at almost 20 different well sites spread over a massive area into a geologic formation (the Basal Cambrian Sandstone) that is 1-2 km underground.

This endeavour must be carried out in a manner that is safe and does not have significant adverse impacts – both project-specific and cumulative - on the environment or human health. It must also result in the permanent storage of this CO<sub>2</sub> underground, which will require extensive monitoring over a large area and a long period of time.

This complexity of a CCS project can be demonstrated by the contents and the scale of the applications and EIA materials for the Shell Quest Project. For example, Shell's application for a CO<sub>2</sub> Pipeline Licence pursuant to Directive 56 was over 400 pages long and its application for a CO<sub>2</sub> Acid Gas Storage Scheme pursuant to Directive 65 was almost 300 pages long.<sup>19</sup> There were 29 separate documents associated with the environmental assessment of the Shell Quest Project. The Energy Resources Conservation Board (ERCB) held a 3-day public hearing on Shell's application that involved 10 principals and representatives, 15 witnesses, and 17 ERCB staff.<sup>20</sup> The ERCB imposed 23 project conditions on Shell.<sup>21</sup>

The characteristics of the Project, and the scale of the EIA for the Shell Quest Project – which is smaller than the Project – support an EIA for the Project.

 <sup>&</sup>lt;sup>19</sup> Shell Canada Ltd. (2010) *Quest Carbon Capture and Storage Project - Directive 56: CO<sub>2</sub> Pipeline Licence, online*; Shell Canada Ltd (2010) *Quest Carbon Capture and Storage Project - Directive 56: Application for a CO<sub>2</sub> Acid Gas Storage Scheme, online*.
<sup>20</sup> Energy Resources Conservation Board (2012) *Decision 2012 ABERCB 008: Shell Canada Limited, Application for the Quest Carbon Capture and Storage Project, Radway Field, online*. ("ERCB Decision - Shell Quest CCS"), p.61.
<sup>21</sup> ERCB Decision - Shell Quest CCS, pp.62-63.



# (c) any concerns in respect of the proposed activity that have been expressed by the public of which the Director is aware

Indigenous communities, citizens and landowners in the CO<sub>2</sub> storage area, environmental nongovernment organizations (ENGOs), and scientists, academics, and energy modellers have publicly expressed concerns with respect to the impacts of the Pathways Alliance project.

A group of Treaty 6 First Nations - Heart Lake First Nation, Beaver Lake Cree Nation, Whitefish Lake First Nation, Kehewin Cree Nation, Frog Lake First Nation, Cold Lake First Nations, and Onion Lake Cree Nation – whose territories overlap the Project's pipeline route and proposed carbon storage area have expressed concerns about the impact of the Project on the lakes, rivers, and underground reservoirs in their traditional territories.<sup>22</sup> They are seeking additional information from the proponent about the safely of the environment and their communities.

No to CO2, a group of concerned citizens and landowners in the Project's proposed carbon storage area has spoken out against the Project and is concerned about "protecting their land and quality of life and defending the public interest".<sup>23</sup> They are also looking for additional information from Pathways Alliance.

Greenpeace, together with the Canadian Association of Physicians for the Environment (CAPE) and Environmental Defence, has submitted a complaint to the Competition Bureau of Canada alleging that Pathways Alliance has made false and misleading representations by advertising that the Project will contribute to Canada's efforts to achieve net-zero emissions.<sup>24</sup> This complaint has been accepted by the Competition Bureau, which has started an investigation into the accuracy of the representations.<sup>25</sup> A recent scientific article, published in the journal *Energy Research & Social Science*, has identified a number of examples of greenwashing by Pathways Alliance.<sup>26</sup>

The International Institute for Sustainable Development (IISD) has concluded that CCS, as proposed by groups such as the Pathways Alliance, is an energy intensive technology that is slow to implement, expensive, and unproven at scale, making it a poor strategy for decarbonizing oil sands production.<sup>27</sup>

Over 400 scientists, academics, and energy systems modellers wrote a letter to Deputy Prime Minister and federal Finance Minister Chrystia Freeland in opposition to a federal investment tax credit for carbon capture and utilization storage (CCUS). The letter noted that CCUS is neither economically sound nor proven at scale, is not a climate solution and often results in increased GHG emissions, does not address environmental, social, and health impacts associated with the mining, extraction, and transport

<sup>&</sup>lt;sup>22</sup> Weber, B. (23 Feb 2024) 7 First Nations in Alta. want answers on carbon capture and storage plans, CBC News, online.

<sup>&</sup>lt;sup>23</sup> Huser, J. (2023) *Residents voice concern over large-scale carbon capture project*, Lakeland Today, <u>online</u>.

<sup>&</sup>lt;sup>24</sup> Greenpeace (2023) Application for Inquiry into false and misleading representations made by the Pathways Alliance about their climate action and the climate impact of their business, <u>online.</u>

<sup>&</sup>lt;sup>25</sup> Feinstein, C. (2023) Canada's largest oilsands companies being investigated over allegations they made false environmental claims, <u>online</u>.

<sup>&</sup>lt;sup>26</sup> Aronczyk, M. et al (2024) *Greenwashing, net-zero, and the oil sands in the Caada: the Pathways Alliance*, Energy Research & Social Science, 112, online.

<sup>&</sup>lt;sup>27</sup> IISD: Why carbon capture is not a net-zero solution.



of fossil fuels, and is financially risky.<sup>28</sup> The Project is expected to benefit from the federal investment tax credit and Pathways Alliance has lobbied for the enhancement of this credit.<sup>29</sup>

These concerns and desire for more information about the Project support an EIA for the Project. An EIA – particularly with a public hearing – would provide a venue for Pathways to share additional information and address the concerns raised by local communities and the broader public.

### (d) the presence of other similar activities in the same general area

We are not aware of other carbon capture facilities or  $CO_2$  transportation pipelines in the same general area as the Project. However, the proposed carbon storage area (for which CNRL holds an evaluation permit) is directly adjacent to carbon storage areas for which other companies hold evaluation permits.<sup>30</sup> The potential interaction of carbon stored in adjacent areas should be explored in an EIA.

Further, from route maps shared by the Pathways Alliance, it appears that the Transportation Line will share a right-of-way with existing oil and gas pipelines. This creates a risk that an accident or malfunction with the Project will impact these pipelines - and vice versa. The risk of this occurring and strategies to mitigate this risk should be explored in an EIA.

### (e) any other criteria established in the regulations

We are not aware of any other criteria established in regulations that is relevant to this decision.

#### (f) any other factors the Director considers to be relevant.<sup>31</sup>

The Project will facilitate continued oil sands development that will have environmental, economic, social, and cultural consequences, including impacts on Aboriginal and Treaty rights. While they are indirect, these are significant and adverse consequences of the Project that must be assessed in an EIA.

By reducing the GHGs of participating oil sands producers, the Project will reduce the carbon price levied on their operations, support their compliance with climate policies (e.g. federal oil and gas emissions cap), and attract investors and purchasers who want lower-carbon bitumen. This will allow these facilities to maintain or increase their production of bitumen.

Oil sands operations have significant environmental, economic, social, and cultural consequences, including adverse impacts on Aboriginal and Treaty rights. For example, continued oil sands operations mean continued expansion of tailings ponds. The production of tailings can pollute the land and waterways via leaks and spills, as see in the recent Kearl Mine incidents. Tailings ponds impose a growing liability on taxpayers as there is insufficient financial security to ensure reclamation. Continued oil sands operations also mean continue oil sands water withdrawals from the Athabasca River watershed, which reduces water flows available to sustain ecological functions and impairs Indigenous navigability of the Athabasca River, which is essential to the exercise of ACFN's Aboriginal and Treaty rights to hunt, fish, and carry out traditional ways of life.

<sup>30</sup> Alberta Carbon Sequestration Map

<sup>&</sup>lt;sup>28</sup> Hoicka, C. et al. (2022) *Letter from scientists, academics, and energy system modellers: Prevent proposed CCUS investment tax credit from becoming a fossil fuel subsidy, online*.

<sup>&</sup>lt;sup>29</sup> Pathways Alliance (2022) Pathways Alliance submission to the 2023 federal budget consultation process, online.

<sup>&</sup>lt;sup>31</sup> EPEA, s.44(3).



As such, the indirect effects of the Project facilitating continued oil sands development – and associated impacts - is a factor that is relevant to the Director's decision to order an EIA and should be assessed as part of an EIA.

VI. The Project should undergo an EIA before its regulatory applications are considered The oil sands companies that are part of the Pathways Alliance came together to develop a single CCS project. These companies set up the corporate entity that is Pathways Alliance to develop the Project on their behalf with the shared goal of reducing GHG emissions in the oil sands. The majority of the project infrastructure is shared by all participating companies and the constituent activities are meant to operate as part of a single CCS system.

However, despite pitching this endeavour to the public and governments as a single project, Pathways Alliance intend to split the project up and submit a large number of separate applications for the different activities associated with the Project: the carbon capture infrastructure at each participating oil sands facility, the lateral pipelines, the Transportation Line, the Hub Distribution Line, the CO<sub>2</sub> injection wells, and the carbon storage area.

A schedule of planned regulatory submissions for the Project indicates that there will at least 126 separate applications for more than 20 different activities over the coming months.<sup>32</sup> CNRL has already submitted several applications to the AER to construct a lateral pipeline and to do work associated with the Project.<sup>33</sup> (These applications are difficult to search on the AER's Public Notice of Application website because they do not use terms such as "Pathways Alliance, "carbon dioxide", or "carbon capture" in their title and description; this should be corrected.)

This piece-meal approach is known as "project splitting," an undesirable practice designed to circumvent rigorous environmental assessment. This approach is problematic because each of the applications and associated activities will be considered in isolation without any assessment of the cumulative and regional impacts of these activities together, let alone as a single Project. As a result, this will impair AER's ability to adequately identify and assess the Project-specific, cumulative, direct, and indirect impacts of the Project as it considers the various applications. It will also undermine the rigour of AER's individual assessment of the 126 separate applications for the Project activities.

Further, this approach impairs the ability of ACFN and Alberta to understand the project-specific and cumulative impacts of the Project on ACFN's Aboriginal and Treaty rights, thereby impairing the ability of Alberta to consult with ACFN as required by the honour of the Crown.

Therefore, Alberta should assess all of the activities of the Project as part of a single EIA and should do so before the individual applications are considered. Since several applications have already been submitted to the AER, the Director must act quickly to pause this application process. A public hearing should be held as part of the assessment of these applications.

<sup>&</sup>lt;sup>32</sup> Canadian Natural on behalf of Pathways Alliance (5 April 2024) *Planned Regulatory Submission Schedule for Pathways CO*<sub>2</sub> *Transportation Network and Storage Hub Project.* 

<sup>&</sup>lt;sup>33</sup> Varcoe, C. (21 Mar 2024) Varcoe: 'A big deal' — Oilsands group files first major regulatory application for \$16B carbon capture megaproject, Calgary Herald, <u>online</u>. AER Public Notice of Application (22 Mar 2024) Application 32576398 – Canadian Natural Resources Ltd, <u>online</u>.

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# VII. Conclusion

The Interested Parties respectfully submit that an EIA and a public hearing is necessary to consider the potential significant risks and impacts of this Project and address the concerns of local communities and the public generally. The Shell Quest Project underwent an EIA and a public hearing, and we expect the same for the Project.

EPEA grants the Director discretion to require an EIA for all the activities associated with the Project. Based on the nature of the Project, the Director should exercise this discretion and order an EIA. The Project is significant in size and complexity; it involves multiple oil sands facilities, over 600 km of pipeline, and a massive carbon storage area within the Lower Athabasca Region. The Project will be energy and water intensive and poses serious risks of explosion and leakage that could impact the regional environment, nearby pipeline infrastructure, and local communities. Further, it will drive additional oil sands production, which has serious impacts to environment and human health. All these risks and impacts have the capacity to impair the Aboriginal and Treaty rights of ACFN and other local Indigenous communities. Several Indigenous communities, citizens and landowners, NGOs, scientists, and academics have voiced their concerns publicly about the Project.

The Director should order an EIA for all for activities associated with the Project to ensure that all the specific, cumulative, direct, and indirect impacts of the Project – including on Aboriginal and Treaty rights - are adequately assessed. This EIA should occur before the AER considers the various applications that are being made for the Project activities.

Thank you for your consideration. We look forward to hearing from you.

Sincerely,

Matt Hulse Lawyer, Ecojustice

Lisa Tssessaze Director, Dene Lands and Resource Management Office, Athabasca Chipewyan First Nation

Debborah Donnelly Executive Director, Alberta Wilderness Association

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