



Canada Energy
Regulator

Régie de l'énergie
du Canada

Suite 210
517 Tenth Avenue SW
Calgary, Alberta
T2R 0A8

517, Dixième Avenue S.-O.
bureau 210
Calgary (Alberta)
T2R 0A8

LETTER DECISION

File OF-EP-OA-I184-1414 03 / 4257714
7 March 2024

Travis Balaski
President
Inuvialuit Energy Security Project Ltd.
Suite 1100, 110 – 9th Avenue SW
Calgary, AB T2P 0T1
Email tbalaski@inuvaluit.com

Shawn Petrie
Manager of Legal Services
Inuvialuit Corporate Group
Suite 1100, 110 – 9th Avenue SW
Calgary, AB T2P 0T1
Email spetrie@inuvaluit.com

Dear Travis Balaski and Shawn Petrie:

**Inuvialuit Energy Security Project Ltd.
Inuvialuit Energy Security Project – Application for Authorization for
Installation and Operation of the Energy Centre
Hearing Order MH-002-2022
Energy Centre Authorization: OA-1414-003
Letter Decision**

**Before: M. Watton, Presiding Commissioner; K. Penney, Commissioner;
W. Jackknife, Commissioner**

On 30 September 2022, Inuvialuit Energy Security Project Ltd. (**IESPL**) applied to the Commission of the Canada Energy Regulator for the installation and operation of the Inuvialuit Energy Security Project (**IESP**) Energy Centre (**Energy Centre Application**), pursuant to paragraph 10(1)(b) of the Northwest Territories' *Oil and Gas Operations Act*¹ (**OGOA**) ([C21113](#)).

Through the Energy Centre Application, IESPL requested an authorization for the following activities:

- installing modules and plant infrastructure onsite;
 - commissioning and operating the gas plant; and
 - transporting compressed natural gas (**CNG**) and other fuels by truck to regional users.
- (collectively, the **Energy Centre Activities**)

IESPL proposes to undertake the activities specific to the installation of the Energy Centre between June 2025 and March 2026.

.../2

¹ SNWT 2014, c 14.

1. Commission's Decision

The Commission approves IESPL's Energy Centre Application and issues the requested authorization for the Energy Centre Activities for a twelve-year term, from 7 March 2024 to 7 March 2036, subject to the conditions in Appendix I of this Letter Decision. In determining an appropriate term for the Energy Centre Activities, the Commission considered that its jurisdiction over certain matters in the Inuvialuit Settlement Region under the OGOA is set to expire on 31 March 2034.² A 12-year term allows the authorization to continue beyond the legislated transition of jurisdiction over the IESP from the Canada Energy Regulator (**CER**) to the territorial regulator. Any renewal application could then be brought before the territorial regulator.

In reaching its decision on the Energy Centre Application, the Commission considered IESPL's Energy Centre Application and all submissions relevant to the Energy Centre Activities filed on the [MH-002-2022](#) hearing record, including letters of support for the IESP from potentially affected Indigenous Peoples and organizations, relevant submissions from the technical conference held on 24 May 2023, IESPL's responses to information requests, and the submissions made by the CER Crown Consultation Coordinator (**CCC**). In accordance with section 12 of the OGOA, the Commission also considered, in consultation with the Chief Safety Officer, the safety of the proposed Energy Centre, based on a review of the system as a whole and its components, including its installations, equipment, operating procedures, and personnel.

The Commission finds that a twelve-year term is appropriate as it will allow IESPL a reasonable period of time to operate the Energy Centre before its systems and operations are subject to review through renewal of the authorization.

2. Background

The IESP is located on Inuvialuit private lands, approximately 16 kilometres (**km**) south of Tuktoyaktuk and 4 km west of the Inuvik-to-Tuktoyaktuk highway in the Northwest Territories, within the Inuvialuit Settlement Region. The Inuvialuit own and administer the surface and subsurface interests in these Inuvialuit private lands pursuant to the *Inuvialuit Final Agreement*.³

IESPL intends for the IESP to replace the Town of Inuvik's gas supply from the nearby Ikhil field and the supplies of liquid natural gas and propane that are trucked from southern Canada. The IESP consists of:

- developing the suspended TUK M-18 gas well to support the IESP;
- installing and operating the Energy Centre to produce CNG, propane, and synthetic diesel;
- constructing an all-season road to access the facility from the Inuvik-to-Tuktoyaktuk highway;

² See subsection 12(1) of the CER Act which states that "Until March 31, 2034, the Regulator is to be the regulator – under any law of the Legislature of the Northwest Territories that is made under paragraph 19(1)(a), (b) or (c) of the *Northwest Territories Act* – in respect of that portion of the *Inuvialuit Settlement Region*, as defined in section 2 of the *Canada Oil and Gas Operations Act*, that is situated in the *onshore* as defined in section 2 of the *Northwest Territories Act*.

³ The *Inuvialuit Final Agreement* is a land claim agreement between the Inuvialuit and the Government of Canada, signed 5 June 1984. The *Inuvialuit Final Agreement* was approved, given effect, and declared valid by the *Western Arctic (Inuvialuit) Claims Settlement Act*, SC 1984, c 24, which came into force on 25 July 1984.

- constructing gravel pads for the wellsite and the Energy Centre;
- installing storage tanks for the propane and synthetic diesel; and
- trucking the CNG, propane, and synthetic diesel to commercial and residential consumers in the communities of Inuvik and Tuktoyaktuk.

Pursuant to the *Inuvialuit Final Agreement*, the Environmental Impact Screening Committee (EISC) reviewed the development plan for the IESP and determined that the development may proceed without an environmental impact assessment and review on the basis that it will have no significant negative impact on the environment, if authorized subject to certain environmental terms and conditions recommended by the EISC.

The Commission approved a development plan for the IESP on 8 March 2022, which was submitted by the Inuvialuit Petroleum Corporation (IPC). On 25 March 2022, IESPL filed a letter with the CER explaining that IPC had created IESPL as a subsidiary corporation to become the proponent for the IESP (C18312). IESPL subsequently applied for amendments to the development plan, which the Commission approved on 22 June 2023 (C25052). On 28 August 2023, the Northwest Territories' Commissioner in Executive Council confirmed her consent to the Commission's approval of the amendments to Part 1 of the development plan, pursuant to subsection 14(5) of the OGOA (C26191).

The Commission notes that as part of its assessment and approval of IPC's development plan application for the IESP, it received multiple letters of comment, in which potentially affected Indigenous Peoples and organizations indicated their support for the IESP and/or satisfaction that their concerns had been or would be addressed directly by the proponent. Section 5.1.1 of this Letter Decision provides more details about local and regional support for the IESP.

On 30 November 2021, the Government of the Northwest Territories' Minister of Industry, Tourism and Investment confirmed that she waived the requirement for approval of a benefits plan for the IESP, in accordance with subsection 17(2) of the OGOA. As a result, a benefits plan is not required before the Commission may issue an authorization for the Energy Centre Activities.

On 28 June 2023, the Commission issued two other authorizations for the IESP, one for early site works and the other for a well workover, subject to certain conditions, with reasons to follow (C25240 and C25241 respectively). On 8 August 2023, the Commission issued the reasons for its decisions to issue these authorizations (C25799 and C25800, respectively).

IESPL advised that the Energy Centre Application was the final application for an authorization that it intended to submit for the IESP.

3. The Hearing Process

On 1 September 2022, the Commission issued Hearing Order MH-002-2022 for the well workover and the early site works authorization applications. The Notice of Hearing, attached to the Hearing Order, included information regarding the availability of participant funding for Indigenous Peoples and organizations who wished to participate in the public hearing. The Hearing Order also contained information regarding process support for anyone that required assistance, to facilitate their participation.

The Commission directed IESPL to post the Notice of Hearing on its IESP webpage as well as on the Inuvialuit Regional Corporation's Facebook page; publish the Notice of Hearing in a minimum of three newspapers; and distribute the Notice of Hearing to specified persons,

including Indigenous Peoples and organizations potentially affected in the project area. The Commission further directed IESPL to make copies of both applications available to the public at its office. The CER also posted the Notice of Hearing on its project webpage for the IESP. The process to register to participate as an intervenor in the hearing was open from 1 September to 30 September 2022.

IESPL applied for a third authorization, for the Energy Centre Activities, on 30 September 2022 ([C21113](#)). The Commission added the Energy Centre Application to the hearing process for the other two authorization applications (MH-002-2022) to maximize regulatory efficiency. The Commission re-opened the registration to participate process, from 7 October to 25 October 2022, to provide an opportunity for any persons interested in the Energy Centre Application to register to participate in the hearing.

No one, and notably no Indigenous Peoples or organizations potentially affected by the IESP registered to participate in the hearing.

However, on 25 November 2022, the Commission received a letter of comment from the Hamlet of Tuktoyaktuk and the Tuktoyaktuk Community Corporation in support of the IESP, indicating the full support of the Indigenous owners and residents of the lands where the IESP is located, and requesting an expeditious process and decision on the project ([C22237-1](#)).

On 24 March 2023, the Commission held a technical conference to obtain additional information it required on certain amendments IESPL had proposed for the IESP development plan. During the technical conference, the Commission also asked for, and IESPL provided, further information about the early site works and well workover applications. The Tuktoyaktuk Community Corporation provided oral comments during the technical conference, reiterating their support for the IESP and associated authorization applications. Following the technical conference, on 25 April 2023, the Tuktoyaktuk Community Corporation filed a letter of comment with the Commission, reiterating that the IESP is an urgent and important project for the local economy, highly supported by the Inuvialuit Regional Corporation and local communities ([C24531-1](#)).

On 18 December 2023, the Commission issued a process update and draft conditions it might apply to the Energy Centre authorization ([C27734-1](#)), if issued. IESPL had an opportunity to comment on the draft conditions and to provide any final additional submission(s) for the Commission's consideration. The draft conditions were based on the Commission's assessment of the Energy Centre Application and filings on the record at that point in time.

On 27 December 2023, IESPL filed a letter as its final submission on the Energy Centre Application, in which it stated that the proposed draft conditions were aligned with IESPL's expectations for the long-term operating conditions surrounding the Energy Centre ([C27845-1](#)).

On 10 January 2024, IESPL filed an updated Environmental Protection Plan (EPP) to complete its response to the Commission information requests ([C27962-1](#)).

4. CER Crown Consultation Coordinator's Activities

On 18 October 2022, the CCC filed a letter on the hearing record for all three authorization applications ([C21443](#)). In the letter, the CCC summarized its actions in relation to the original development plan application for the IESP. The CCC stated that it would not be conducting

further engagement or supplemental Crown consultation activities with potentially affected Indigenous Peoples and organizations in relation to the IESP (including the three authorizations applications) based on previous feedback received and evidence filed on the record for the original development plan application. The CCC specifically highlighted that, through its engagement activities, it learned that Indigenous Peoples and organizations were satisfied that their concerns and comments were or will be addressed by the applicant, and that the applicant will continue to work with them. Further, no specific project-related concerns were raised with the CCC.

As a result, the CCC indicated that it would not undertake consultation beyond the Commission's regulatory process in furtherance of the Crown's duty to consult. The CCC encouraged interested Indigenous Peoples and organizations to participate in the Commission's hearing process should they have any concerns with any of the authorization applications in relation to the IESP.

The CCC did not file any additional submissions on the hearing record for the Energy Centre Application.

5. Assessment of the Energy Centre Application

5.1 Effects of the Energy Centre Activities on the rights of Indigenous Peoples

5.1.1 Applicant's Engagement Activities

IESPL submitted that the Traditional Knowledge Guide for the Inuvialuit Settlement Region encourages developers and traditional knowledge holders to work extensively together prior to an environmental impact assessment to gain the full value of traditional knowledge during project planning. IESPL stated that IPC used this philosophy to improve its environmental assessment for the IESP development plan.

IESPL stated that IPC initiated community engagement in early 2016, during the project design, and continued throughout the development of numerous studies and project plans. Formal community presentations and consultations about the proposed IESP began in early 2020, as soon as most of the feasibility studies were completed and conceptual plans and information on potential impacts were available for discussion. IESPL submitted that at that time, specific meetings with communities and community organizations were initiated and IPC reached out to the co-management bodies established under the *Inuvialuit Final Agreement* to provide information and answer any questions. Engagement activities for the IESP included a range of communication methods and opportunities, including presentations followed by written correspondence, meetings, question and answer, brochures, and telephone calls.

IESPL further submitted that IPC held meetings with government leaders and co-management bodies to problem-solve specific issues and determine the overall level of support for the IESP. Input from local communities, harvesters, and other stakeholders, including traditional knowledge, has been documented and considered, and informed the IESP. The input received also helped to shape mitigation and management plans, and engineering designs.

IESPL noted that engaging early and comprehensively, including with elders, harvesters, youth, local leaders, community members, and co-management bodies, resulted in letters of support for the IESP from the following organizations:

- Aklavik Community Corporation;
- Aklavik Hunters and Trappers Committee;
- Hamlet of Tuktoyaktuk;
- Inuvialuit Game Council;
- Inuvialuit Regional Corporation;
- Inuvik Community Corporation;
- Inuvik Hunters and Trappers Committee;
- Olokhaktomiut Hunters and Trappers Committee;
- Paulatuk Community Corporation;
- Paulatuk Hunters and Trappers Committee;
- Sachs Harbour Community Corporation;
- Sachs Harbour Hunters and Trappers Committee;
- Town of Inuvik;
- Tuktoyaktuk Community Corporation;
- Tuktoyaktuk Hunters and Trappers Committee; and
- Ulukhaktok Community Corporation.

IESPL also submitted that it has received verbal support from numerous organizations, including the Inuvik Native Band and the Gwich'in Tribal Council. The Commission notes that two letters were also filed on the record for the authorization applications demonstrating support for the project from the [Hamlet of Tuktoyaktuk and Tuktoyaktuk Community Corporation](#) and from the [Tuktoyaktuk Community Corporation](#).

On 18 November 2022 and 5 June 2023, IESPL filed its community engagement and meetings logs with the Commission, which outlined engagement activities undertaken for the IESP, including details about concerns and/or comments raised and how IESP responded. The Commission notes that, as documented in IESPL's logs, IESPL responded to each of the comments or concerns raised. Further, no interested persons or organizations have raised outstanding concerns to the Commission regarding the IESP or IESPL's engagement activities.

IESPL submitted that it is committed to continuing to engage with all those potentially impacted throughout the CER's regulatory processes, as well as through the planning, construction, installation, commissioning, operation, and decommissioning phases of the IESP.

5.1.2 CER's Consultation with Indigenous Peoples

Regulatory tribunals, such as the Commission, must perform the duties and exercise the powers assigned to them in their governing legislation, not only in accordance with their legislative mandates, but also in accordance with section 35 of the *Constitution Act, 1982* and other applicable laws.

The framework within which the CER operates (and under which its decisions are made), including the requirement that a project assessment process be conducted in a procedurally fair manner, can provide a practical, effective, and efficient way for Indigenous Peoples to raise concerns and seek resolution from the applicant or the Commission regarding project-related impacts on their rights and interests.

The Commission's hearing process provided several opportunities for impacted Indigenous Peoples and organizations to learn about the IESP and bring forward any comments or

project-related concerns to the Commission. The CER offered funding and process support to facilitate Indigenous Peoples' participation in the Commission's hearing process.

As noted in section 4 above, the CCC did not engage or consult with Indigenous Peoples in relation to the Energy Centre Application. This decision not to conduct further engagement or supplemental Crown consultation activities for the Energy Centre Application was based on feedback received and evidence filed on the hearing record in relation to IESPL's application for a development plan that indicated that Indigenous Peoples and organizations were satisfied that their concerns in relation to the IESP were, or would be, addressed by IESPL. The CCC advised that the CER would rely entirely on the Commission's hearing process to satisfy the Crown's duty to consult.

5.1.3 Assessment of the effects of the Energy Centre Activities on the rights of Indigenous Peoples

IESPL submitted that the Inuvialuit Regional Corporation is mandated under the *Inuvialuit Final Agreement* to represent the rights and interests of the Inuvialuit, and that the Inuvialuit Regional Corporation supports the requested authorizations. IESPL is an Inuvialuit corporation, which is wholly owned by the Inuvialuit Regional Corporation and its subsidiary, the IPC, which was established under the *Inuvialuit Final Agreement*. IESPL submitted that it shares the Inuvialuit Regional Corporation's mandate to act in the interests of the Inuvialuit.

IESPL submitted that the early site works, the well workover, and the Energy Centre Activities will have a positive effect on the existing rights of Indigenous Peoples with an interest in the project area, and particularly on the Inuvialuit. IESPL highlighted that the IESP is located entirely within Inuvialuit lands and the Inuvialuit Settlement Region, as defined under the *Inuvialuit Final Agreement*.

IESPL submitted that the IESP will support the energy security of the Inuvialuit Settlement Region and directly benefit the Inuvialuit, while also respecting Inuvialuit values related to the land and principles of sustainable development established under the *Inuvialuit Final Agreement*. IESPL asserted that the availability of a reliable, regional source of energy will reduce the environmental footprint of the current energy infrastructure used to supply the Inuvialuit Settlement Region, and reduce the economic burden associated with providing energy to the region.

IESPL also submitted that it intends to use the comprehensive provisions of the *Inuvialuit Final Agreement* as the benefits plan for the IESP. More specifically, IESPL is working with the Chairpersons of the six Inuvialuit Community Corporations and the Chairperson of the Inuvialuit Regional Corporation on a plan to maximize local benefits, in accordance with the *Inuvialuit Final Agreement*.

Commission analysis and findings

Applicant's Engagement Activities

The Commission finds that IESPL appropriately identified and engaged those potentially impacted by the Energy Centre, including Indigenous Peoples, communities, organizations, and co-management boards, as well as landowners and other stakeholders. The Commission is satisfied with IESPL's approach to engagement and engagement activities, based on the small physical footprint of the IESP, the potential for the IESP to positively affect energy security in the region, IESPL's responses to comments or concerns raised to

date, the evidence of community support for the project, and IESPL's commitment to continued engagement throughout the lifecycle of the IESP.

The Commission is also satisfied that sufficient notice was provided of the Energy Centre Application and the Commission's assessment process, and that all those who are potentially impacted by the Energy Centre Activities, including Indigenous Peoples and organizations, had sufficient opportunity to participate in the Commission's hearing process. As indicated previously, no one, and notably no Indigenous Peoples or organizations potentially affected by the IESP, registered to participate in the hearing. In fact, multiple Indigenous communities and organizations filed letters of support for the IESP.

IESPL's community engagement and meeting logs demonstrate that IESPL has been engaging, and continues to engage, with interested community members and organizations potentially affected by the IESP, and that IESPL has appropriately responded to comments or concerns raised to date. The letters of comment received in support of the IESP further demonstrate that potentially affected Indigenous Peoples and organizations are satisfied with IESPL's engagement with them and commitment to continue to work with them to address any concerns with the IESP. The Commission is also satisfied with IESPL's commitment to continue to engage with Indigenous Peoples and organizations to resolve any project-related concerns, including any potential impacts on the rights and interests of Indigenous Peoples associated with the Energy Centre Activities.

Throughout its review of the Energy Centre Application, the Commission carefully considered all commitments made by IESPL. The Commission imposes **Condition 11** (Commitment Tracking Table), requiring IESPL to track and fulfil all the commitments it made in its Energy Centre Application and related submissions. This condition also requires IESPL to file with the CER a list of its commitments, including an update on the status of each commitment, and post the list on the IESP website at least 45 days prior to commencing Energy Centre installation and then on a quarterly basis.

CER's Consultation with Indigenous Peoples

The Commission is satisfied that the engagement and consultation that has taken place has been adequate for the purpose of the Commission's decision on the Energy Centre Application and that its decision is consistent with section 35 of the *Constitution Act, 1982*. In reaching this conclusion, the Commission considered its hearing process, which included sufficient opportunities for Indigenous Peoples to obtain information about the IESP and share any information or concerns with the Commission about the potential impacts of the Energy Centre Activities on their rights or interests; as well as opportunities to intervene in the hearing process, obtain participant funding, and access process support.

The Commission notes the letters and statements of support from multiple Indigenous Peoples and organizations in the area surrounding the IESP, and that no Indigenous Peoples or organizations participated in the hearing process as intervenors. As such, the Commission relied on IESPL's submissions about its engagement activities to assess potential impacts of the Energy Centre Activities on the rights and interests of Indigenous Peoples. The Commission also considered the evidence of community support for the IESP filed or referenced on the hearing record ([MH-002-2022](#)) for IESPL's three authorization applications (and as further detailed in [MH-002-2021](#) for the approved development plan, as amended).

Assessment of the effects of the installation and operation of the Energy Centre on the rights of Indigenous Peoples

The Commission finds that the Energy Centre Activities are unlikely to adversely affect the rights of Indigenous Peoples because of the location of the Energy Centre on Inuvialuit private lands, the small scope of the activities involved in the proposed Energy Centre, and the low potential for negative impacts on the environment and socio-economic factors during and after installation and operation, as described in this Letter Decision. In fact, as discussed in greater detail in this Letter Decision, and as further demonstrated through the letters of support received from local Indigenous Peoples and organizations, the Commission accepts, that the IESP is likely to benefit Indigenous Peoples and organizations in the region through employment and economic self-sufficiency and self-determination opportunities; and have a positive impact on their rights and interests, due to the focus of the project on enhancing energy security and reducing energy costs, as well as reducing the environmental footprint of the current energy infrastructure in the region.

5.2 Environment Matters

IESPL submitted an EPP comprised of six environmental management plans, including the following: Archaeological Site Management Plan, Wildlife Management and Monitoring Plan (**WMMP**), Permafrost Protection and Management Plan, Fish and Fish Habitat Protection Plan (**FFHPP**), Waste Management Plan, and Erosion and Sediment Control Management Plan. The Archaeological Site Management Plan is discussed in section 5.3 – Socio-economic Matters of this Letter Decision. The remaining five environmental management plans are discussed in greater detail below.

Section 9 of the Northwest Territories' *Oil and Gas Drilling and Production Regulations*⁴ (**OGDPR**) sets out specific requirements for an environmental protection plan that must accompany any authorization application. IESPL submitted that the EPP contains the required information and provided a concordance table to indicate where in the EPP the information is located.

In each plan within the EPP, IESPL provided an overview of the project and a discussion, including potential impacts, mitigation measures, monitoring, adaptive management, and reporting specific to each plan. Information regarding roles and responsibilities, record keeping, and training were also included. The content of each plan is summarized in the relevant subsections below.

IESPL included an adaptive management plan for each of the plans within the EPP. At least annually, or following an environmental incident, IESPL will review monitoring results and mitigation outcomes and allow for discussions of adaptive management actions related to the project. IESPL will use the outcomes of the review to identify where mitigation or reclamation measures are not adequate and to identify additional mitigative, monitoring, or reclamation measures to be applied. In addition, IESPL committed to incorporating continual improvement into each of the plans. Each plan will be reviewed on an annual basis and updated as required based on observations and monitoring results gathered throughout the year. The plans may also be updated due to legislative changes and/or consultation with Indigenous Peoples and organizations as required.

⁴ R-027-2014.

In addition to the plans included in the EPP, IESPL committed, during the technical conference for the development plan amendment application, to complete additional air quality modelling once the Energy Centre engineering design is finalized. The additional air quality modelling is in response to a change from the Energy Centre producing liquid natural gas to producing CNG.

5.2.1 *Wildlife Management and Monitoring Plan*

IESPL engaged with the following five organizations in the development of the WMMP for the IESP: the Government of the Northwest Territories Environment and Natural Resources, Inuvialuit Game Council, Tuktoyaktuk Hunters and Trappers Committee, Inuvik Hunters and Trappers Committee, and the Wildlife Management Advisory Council of the Northwest Territories. IESPL stated that these organizations will continue to be involved in the annual reviews and continual improvement of the WMMP and therefore have formed the IESP WMMP Review Committee.

IESPL stated that the project area includes habitat for barren-ground caribou, grizzly bears, wolverines, horned grebe, red-necked phalarope, short-eared owl, Harris's sparrow, and rusty blackbird. All of these species, except for barren-ground caribou, are listed as species of special concern on Schedule 1 of the federal *Species at Risk Act*.⁵

IESPL identified that potential effects of the IESP on wildlife include loss of habitat due to vegetation clearing and gravel fill for the access road and the Energy Centre gravel pad; risk of injury or mortality due to accidental destruction of bird nests, eggs, or young during operations; localized minor degradation of wildlife habitat due to possible soil erosion; impacts to wildlife habitat due to possible particulate matter (dust) emissions from traffic; wildlife habitat pollution due to fuel and/or chemicals spills; and wildlife disruption or habitat degradation due to fire, explosion, or blowout. Wildlife may experience sensory disturbance due to lighting, noise, traffic, physical barriers, and vibration, or be attracted to the project site due to light, noise, and/or domestic waste. IESPL stated that noise and light will be produced at the Energy Centre site and by vehicles along the access road. Wildlife is expected to acclimatize to consistent noise, but avoid loud, intermittent, or percussive noise. IESPL stated that, during commissioning and operation of the Energy Centre, it is a priority to manage and monitor potential localized effects related to sensory disturbance of wildlife from site facilities and operations, and potential effects from project traffic on the access road.

The IESP may result in direct interactions with wildlife through vehicle collisions, wildlife attempting to nest in equipment, and disturbance of winter dens. The IESP may also result in injury or mortality of bears, wolverine, or foxes attracted to the facility.

IESPL stated that during the design of the IESP, it chose design elements to help minimize the potential effects of the Energy Centre on wildlife. These elements include enclosing the Energy Centre in a Sprung Structure (i.e., an all-weather tension fabric building), installing fencing around the site, installing skirting underneath buildings and/or camera and motion sensors, using bear-proof areas or containers for possible animal attractants stored on-site, maintaining visibility for worker safety and wildlife detection through building design (e.g., no blind corners), installing proper lighting and removing snow around buildings and work areas. The Energy Centre will be designed to minimize noise impacts and to prevent spills through the use of double-walled storage tanks for liquids at atmospheric temperature and pressure,

⁵ SC 2002, c 29. The Commission notes that Schedule 1 lists all of the species identified by IESPL as special concern, including Harris's sparrow which was listed in February 2023.

as well as capture trays in loading and unloading areas. To minimize dust from traffic, IESPL stated that it will restrict traffic to project vehicles only, put speed limits in place, and implement dust suppression measures during construction and summer operation activities.

IESPL committed to apply timing restrictions and setback distances for wildlife and some wildlife habitat, as identified in the WMMP. The timing restrictions and setback distances apply to breeding and birthing seasons for all wildlife, as well as to individuals of certain wildlife species and specific habitats. IESPL provided details for specific categories of wildlife or wildlife habitat, including bears, caribou (barren-ground and woodland), and muskox; dens for fox, bear, wolf, and wolverines; bird staging and nest sites, and trees that support nests (i.e., stick and cavity nests); and mineral and salt licks. IESPL also committed to a number of other measures to minimize habitat disturbance, including the installation of deterrents, such as motion-activated lighting or noise, or fencing or barriers around equipment or structures that could harm animals. IESPL committed to immediately clean up any spills and dispose of any impacted snow or gravel according to Government of the Northwest Territories regulations.

To minimize sensory disturbance to wildlife, IESPL stated that the noise will be restricted to the immediate vicinity of the work in progress. IESPL will maintain equipment in good repair and provide appropriate mufflers for all internal combustion engines. IESPL's lighting will be sufficient to meet the demands of the construction activity with minimal light spillage, reflectivity, or spread to areas outside of the requirement zone or to the night sky. IESPL committed to conducting noise monitoring quarterly at specific distances from the facilities, and digital light intensity monitoring monthly in the winter season.

IESPL stated that it will focus wildlife effects monitoring on the project footprint and the local study area. IESPL explained that the mitigation monitoring program will identify, document, and report on proper implementation of mitigation procedures and equipment, the presence of wildlife on-site, risks to wildlife or habitat and human safety, and other wildlife incidents (e.g., injury, mortality, wildlife-human interactions) that require a management response. IESPL committed to having a trained wildlife monitor on-site during all project phases. IESPL committed that it will, during the implementation of the project's activities, document and report to the appropriate authorities all significant wildlife features (e.g., nests and dens), wildlife sightings, human/wildlife conflicts, and wildlife incidents. In addition, IESPL will monitor the site on an ongoing basis and may assess potential disturbance to nests and dens, and will monitor nests and dens during the spring for emergence, if required. In addition, IESPL will annually monitor roadsides for invasive vegetation species, which IESPL will control immediately to eliminate seed production and long-term establishment.

IESPL stated that it will conduct an annual review of its IESP Integrated Management System, including the WMMP, to evaluate the system's continuing suitability, adequacy, and effectiveness. IESPL stated that it and the IESP WMMP Review Committee will review the results of the monitoring and mitigation outcomes to discuss wildlife-related adaptive management actions related to the IESP.

IESPL stated that during the Energy Centre commissioning activities, the wildlife monitor will complete a daily wildlife sighting form and a weekly report summarizing the information collected during the week. During operations, the wildlife monitor will complete a weekly report. IESPL further stated that the contractors are required to submit a report on any findings, non-compliances, and non-conformances, and self-created action plans to the wildlife monitor.

5.2.2 Permafrost Protection and Management Plan

IESPL's geotechnical site investigation conducted in 2020 confirmed permafrost conditions, as well as soils comprising lacustrine and glacial deposited silts and clays containing excess ice underlying the project area. IESPL found these soils to contain excess ground ice and consider them to be thaw sensitive. The IESP is in an area of continuous permafrost, with measured ground temperatures of -3.6 to -5.5 °C. The relatively cold ground temperatures reduce the sensitivity to permafrost warming but the consequence of permafrost thaw is high.

IESPL stated that to some degree, thermal erosion of permafrost following construction on permafrost terrain is inevitable due to the change in thermal regime resulting from construction. The degree of thermal erosion and permafrost thaw can be mitigated by employing appropriate measures during construction. It becomes impractical to restore permafrost once thermal erosion has occurred, and the permafrost will naturally need to establish a new equilibrium.

IESPL stated that the design of the IESP includes measures to protect the permafrost. The main design feature for the Energy Centre phase of the project to reduce impacts to permafrost is to place all buildings, tanks, and facilities on piles for an additional barrier between heated buildings and permafrost ground. Ground temperature cables will be used to monitor the ground temperatures throughout the lifecycle of the IESP.

IESPL stated that proper surface water drainage is essential for preserving permafrost stability. IESPL proposed general protection measures to ensure proper drainage, including commitments to grading the area within four metres of a structure perimeter at a four per cent slope to facilitate rapid drainage of surface water away from the structure, and placing additional fill at select locations to promote positive drainage and avoid water ponding under or next to a structure or foundation during spring thaw. IESPL also stated that, where possible, it would avoid new construction around existing buildings or structures that negatively impact the permafrost thermal regime.

IESPL stated that snowbanks and snow drifts alongside pads and around structures can reduce ventilation and insulate the ground, which can impede the cooling of the active layer and the underlying permafrost in winter. To mitigate this risk, IESPL committed to implementing a snow management/maintenance program to keep snow cleared and stored in a designated location during the winter. IESPL stated that if it is not practical to remove the snow drifts, a snow study will be undertaken to determine if other snow management mitigation measures can be implemented.

IESPL stated that the permafrost monitoring program for the access roads and pads, site features, and buildings will include observations and documentation of progression of cracks and deformation in the foundation of the structure, ground surface deformation, doors and windows sticking or not sealing, damage to other visible structural components, visual settlement and distress of the pad embankment, climatic data, and ground temperatures.

IESPL stated that it will use adaptive management, through a permafrost response framework, to respond to conditions potentially resulting in degradation of permafrost. The permafrost response framework identifies low, moderate, and high action level responses to specific kinds of observations, such as ponding water.

IESPL stated that visual inspections of the access roads and pads will be performed once a week during construction, and monthly during operations. IESPL will prepare an annual report of all permafrost monitoring activities for the construction period and during

operations. Reports will include results of monitoring activities, any identified issues, and corrective actions required. The reports will also provide updates on relevant permafrost monitoring work being carried out in the project area by other parties.

5.2.3 *Fish and Fish Habitat Protection Plan*

IESPL committed to conducting all civil work that is near water during the winter to avoid impacts to fish and fish habitat. IESPL does not intend to conduct in-stream work at any phase of the IESP and expects that the watercourses within the project area will freeze to the bed during the winter. The potential effects for the Energy Centre phase of the IESP include disturbances or harm to fish and fish habitat through water quality degradation, release of deleterious substances, and increased dust particulate in the watercourse and on riparian vegetation.

IESPL committed to collaborating and facilitating the coordination of monitoring activities with the Imaryuk Monitoring Program, Fisheries Joint Management Committee, Inuvik Hunters and Trappers Committee, Tuktoyaktuk Hunters and Trappers Committee, and, where relevant, the Community Based Monitoring Program.

IESPL listed a number of mitigation measures and best management practices in relation to erosion and sediment control, the removal and restoration of riparian vegetation, disturbance or harm to fish, use and refuelling of machinery on-site, spill management, water quality, and dust suppression. IESPL committed to having an environmental monitor on site prior to the start of construction, operations, or decommissioning works to ensure that all project personnel are aware of the environmental sensitivities and the requirements of the Fish and Fish Habitat Protection Plan, as well as to ensure that these requirements are effectively implemented. The environmental monitor associated with each phase of the project will carry out inspections at regular intervals, as well as additional inspections during any incidents or malfunctions that affect the work or sensitive environmental areas, and following any significant rainfall events.

IESPL committed to specific monitoring activities to aid in the proper implementation of the mitigation measures and best management practices identified in the Fish and Fish Habitat Protection Plan. IESPL will monitor water quality annually as part of the long-term surface water sampling procedure and will compare the results with the baseline water quality samples taken in the IESP 2021 Baseline Environmental Report completed by Kiggiak-EBA. For the duration of the project, IESPL will conduct visual monitoring of the watercourse weekly during the annual freshet and immediately mitigate any sediment plumes observed due to construction-related activities. IESPL also committed to routinely monitor all culverts for debris buildup. An ambient dust monitoring program will be in place during summers to provide timely information on the effectiveness of dust management along the access road.

IESPL stated that it will prepare and retain weekly environmental monitoring reports. These weekly reports will include a description, photos, and the status of construction by area, including within environmentally sensitive areas; environmental meetings and key issues discussed; key communications with environmental authorities; and any outstanding environmental issues and/or non-compliances and the required corrective actions.

IESPL concluded that if the mitigation measures outlined in the Fish and Fish Habitat Protection Plan are implemented, then it does not anticipate any residual harmful effects to fish and fish habitat as a result of the IESP.

5.2.4 Waste Management Plan

IESPL stated that the Energy Centre phase of the project will not generate significant waste. The waste streams include domestic waste (kitchen and sewage), solid and liquid industrial waste, and solid waste from packaging. The Waste Management Plan incorporates the basic principles of the waste hierarchy, which are source reduction, reuse, recycle or recover, treatment, and disposal.

IESPL stated that domestic (kitchen) waste includes food scraps, paper, and bottles, and may also include fabric; empty glass, metal, or plastic containers; plastics; or other non-hazardous wastes. IESPL will gather these wastes daily and store them in an airtight bear-proof container before transporting them to the landfill in Tuktoyaktuk for disposal at least once per week.

IESPL will store plastic and aluminum beverage containers securely until donated to a charity or transported to a recycling depot in Tuktoyaktuk or Inuvik. IESPL will collect raw sewage and domestic wastewater in heated and insulated holding tanks and use a vacuum truck to transport sewage off-site to the Tuktoyaktuk sewage lagoon on a weekly basis. The heated and insulated storage tanks will have capacity to hold two weeks' worth of effluent to allow for contingency in the event severe weather hampers the travel of mobile equipment. The Hamlet of Tuktoyaktuk has confirmed its approval for the disposal of domestic waste and raw sewage. IESPL stated that there will never be a landfill on-site.

IESPL anticipates very small volumes of hazardous waste during the project. All hazardous waste generated at the project will be classified, collected in appropriately labeled containers, segregated into compatible groups, and securely stored, transported, and disposed of, in an appropriate and approved manner. IESPL will obtain a waste generator number under the *Transportation of Dangerous Goods Act*.⁶ IESPL stated that on-site storage of hazardous waste will be short-term (i.e., less than 180 days) and within the allowable limits. IESPL will dispose of hazardous waste generated during the IESP in British Columbia or Alberta at an approved and licensed hazardous waste disposal facility.

IESPL committed to tracking and keeping detailed information about waste, such as dates and quantities of waste in storage, and transported, treated, and disposed of. IESPL will track all waste from cradle to grave and keep records for at least five years. IESPL will keep an accurate record of all hazardous waste materials generated on-site and all materials transported off site. IESPL will complete a waste manifest form, which will accompany the shipment of hazardous waste in accordance with the Government of Northwest Territories' *Guideline for Hazardous Waste Management* and other provincial hazardous waste regulations.

As an adaptive management measure, IESPL has committed to reviewing incidents related to waste management and/or changing site conditions to identify any lessons learned. IESPL will apply new measures in order to improve its environmental performance related to waste management, as required.

5.2.5 Erosion and Sediment Control Management Plan

IESPL stated that erosion can occur as a result of several factors associated with construction and infrastructure development, with water flow being the primary cause of erosion on transportation construction sites and on operational infrastructure sites. Erosion

⁶ SC 1992, c 43; or RSNWT 1988, c 81 (supp), as applicable.

can lead to permafrost degradation and ground instability and cause unsafe conditions. IESPL identified two types of erosion and sediment control measures. It will implement temporary erosion and sediment control measures during construction and remove them once construction is complete, while IESPL's permanent measures are incorporated into the IESP design for long-term post-construction erosion and sediment control.

IESPL provided a list of its project commitments, mitigation measures, and best management practices to prevent or minimize erosion and sedimentation, as well as to prevent ponding of surface water around the IESP site, and to minimize effects on fish and fish habitat and on permafrost. These include applying dust suppression measures in the summer to minimize dust from truck traffic, preserving and using existing drainage patterns and systems, maintaining site grading and drainage to facilitate surface water drainage away from infrastructure, providing clear signage at sensitive zones, and installing silt fencing to intercept runoff, reduce velocity, and allow water to temporarily pond and settle out sediments.

IESPL committed to regularly monitor the work areas during construction and operation to evaluate the effectiveness of the erosion and sediment control measures in place and to identify any areas where the erosion and sediment control measures are failing, damaged, or degrading. IESPL stated that any minor deficiencies with the erosion and sediment control measures will be corrected within 24 hours from when the problem was first identified, and major deficiencies will be corrected immediately. During construction, IESPL committed to inspecting the erosion and sediment control measures at least once every seven days and after significant rain or snowmelt events. During operation, IESPL will inspect the erosion and sediment control measures once per week prior to spring freshet. Prior to spring freshet and winter freeze up, the inspections will verify that the erosion and sediment control measures are properly installed. The routine inspections will be completed again after spring freshet to ensure that erosion and sediment control measures withstood the seasonal flows, which are typically the highest of the year.

IESPL committed to having an ambient dust monitoring program in place during summers to provide timely feedback to lower dust levels along the access road. The monitoring plan may include regular monitoring of dust levels using ambient air monitoring equipment, and includes trucking in clean water for water-controlled dust suppression or the use of approved dust suppressants on the access road throughout the life of the project.

IESPL stated that it will prepare weekly erosion and sediment control summary reports that identify any minor or major deficiencies in the erosion and sediment control measures. The reports will include photos, issues, incidents, non-conformances and non-compliances, corrective actions taken, any anticipated issues from observed concerns, and ongoing issues that have not been addressed.

IESPL committed to monitor and address the potential impacts associated with climate change on the IESP and will train its staff in how to identify issues. IESPL will maintain culverts for proper operation in spring and fall; observe and evaluate the performance of the infrastructure, including drainage- and thaw-related problems; inspect the access road after heavy weather events for washouts or instability; and promptly address access road performance issues (e.g., ruts, potholes, settlement issues).

IESPL concluded that the potential effects from the type of work being carried out at the site are well understood and the environmental effects can be mitigated using proven techniques from road and site development in the area. As a result, IESPL expects that residual effects

will be minimal. IESPL will confirm this expectation through construction and operations monitoring, as well as adaptive management should impacts be observed.

Commission analysis and findings

The Commission finds that IESPL has, in the EPP and in responses to information requests, identified and committed to implementing appropriate mitigation and avoidance measures to protect the environment during the installation, commissioning, and operation of the Energy Centre and related activities. With the implementation of IESPL's mitigation measures and commitments, and the conditions which the Commission is imposing, the Commission finds that the environment will be adequately protected during the Energy Centre Activities.

The Commission notes that no parties potentially impacted by the IESP identified any environmental concerns with the IESP. The Commission also notes that IESPL incorporated a number of avoidance and mitigation measures into both the design and the construction schedule for the IESP. Further, the EPP contains both general and site-specific mitigation measures, as well as best management practices, to be implemented during Energy Centre Activities.

IESPL identified several species listed as special concern on Schedule 1 of the federal *Species at Risk Act* and other sensitive wildlife species (e.g., barren-ground caribou) and their habitat within the local study area for the IESP. The Commission finds appropriate IESPL's commitment to conduct noise monitoring at specific distances from the facility on a quarterly basis, and digital light intensity monitoring during the winter months, in response to potential sensory disturbance to wildlife. Due to the presence of sensitive wildlife species and their habitat, and IESPL's wildlife noise monitoring commitment in its EPP, the Commission imposes **Condition 15** (Wildlife Noise Monitoring Plan), which requires IESPL to file either its wildlife-related noise monitoring plan or a detailed rationale for why wildlife noise monitoring is not required, at least 90 days prior to commencing operation of the Energy Centre. The Commission also imposes **Condition 7** (Digital Light Intensity Monitoring Procedure), which requires IESPL to file a Digital Light Intensity Monitoring Procedure at least 90 days prior to commencing the installation of the Energy Centre modules and plant infrastructure.

Based on IESPL's commitment to conduct air quality modelling of the final engineering design of the Energy Centre, the Commission imposes **Condition 8** (Air Quality Modelling), which requires IESPL to file a summary of its air quality modelling results at least 90 days prior to commencing Energy Centre installation activities. The report should show how the modelled data fall within applicable federal and territorial legislative requirements and guidelines, as well as any mitigation measures proposed to address any exceedances.

5.3 Socio-Economic Matters

In its Energy Centre Application and related submissions, IESPL described the potential impacts of the Energy Centre Activities on socio-economic valued components, as well as a number of proposed mitigation measures to address potential impacts. These socio-economic valued components include heritage resources, traditional land and resource use, social and cultural well-being, water quality and quantity, infrastructure and services, human health and aesthetics, human occupancy and resource use, acoustic environment, and public safety.

IESPL submitted that there are no significant social or environmental impacts anticipated from the IESP. IESPL submitted that, in fact, once mitigations are applied, there are several significant positive economic and social benefits expected from the IESP, including energy

security; a reduction in local energy costs; extensive training; school visits; capacity building of local community services, such as the fire department and ambulance services; long-term employment opportunities; gender equal opportunities; and local business opportunities.

5.3.1 Heritage Resources

IESPL advised that qualified archeologists licensed by the Prince of Wales Northern Heritage Centre investigated historical land use within the regional area of the IESP (i.e., within a 10 km radius of the Energy Centre). In 2021, all areas of archeological potential were investigated through field assessment and no surface or subsurface cultural material or features warranting protection were found. IESPL confirmed that it has met all requirements and received all necessary clearances and permits relating to heritage and archeological resources for the IESP.

IESPL indicated that it will follow, throughout the life of the IESP, the Archaeological Site Management Plan and the procedure for chance discoveries of heritage resources included in the EPP submitted with the Energy Centre Application and related submissions.

5.3.2 Traditional Land and Resource Use

IESPL submitted that there are no traditional land users within the project area, with the closest cabin to the project being 7.62 km to the east, on the other side of the Inuvik-to-Tuktoyaktuk highway. IESPL reviewed traditional land use information from a number of existing studies, including the Summary of Existing Traditional Knowledge for the Inuvik to Tuktoyaktuk Highway Study Area, and has had multiple discussions and meetings with the Inuvialuit Game Council, Tuktoyaktuk Hunters and Trappers Committee, and the Inuvik Hunters and Trappers Committee since 2018.

5.3.3 Health, social, and economic effects

IESPL stated that, as part of the application to the EISC, an assessment was conducted on the health, social, and economic effects of the project. The assessment concluded that once mitigation measures were applied, residual effects from the IESP are predicted to be positive regarding energy security, local business and employment opportunities, local infrastructure, training and capacity building, reduction in local diesel fuel and gas costs, and health (sump remediation). IESPL stated that there are no significant negative effects predicted for the project. IESPL advised that the EISC agreed with the IESPL impact assessment that the project would have no significant negative impacts. IESPL submitted that it has addressed all concerns to the satisfaction of interested parties.

In its application for a development plan, IESPL submitted that, in 2021, IESPL had already awarded \$3.5 million in local contracts, putting over 50 Inuvialuit beneficiaries to work, and that local businesses can benefit from all phases of the IESP. IESPL stated that, following construction, the Energy Centre will provide around 25 direct and 50 indirect, permanent, full-time jobs, including contract work, for more than 50 years. Priority will be given to local businesses and local job applications.

IESPL submitted that the IESP is an important foundation to the economic development of the Inuvialuit region and is critical to a secure and affordable energy supply for local communities. With local gas reserves anticipated to last more than 50 years, IESPL asserts that this project represents the most reliable and viable replacement for supply from the dwindling Ikhil gas well. It would also provide a more affordable supply of natural gas, propane, and synthetic diesel to the residents of Tuktoyaktuk, which would improve access

to energy and improve quality of life overall. In addition, the IESP will displace quantities of natural gas and propane that are currently trucked in from southern Canada, reducing the costs that local residents and businesses must pay for energy. The IESP will be located entirely on Inuvialuit private lands and aligns with core objectives of various relevant governance and policy documents for the economic and energy development for the Inuvialuit private lands and the broader region.

Commission analysis and findings

The Commission finds that the Energy Centre Activities will likely result in overall positive social and economic impacts, and will have no or negligible negative effects on socio-economic matters. With respect to the potential positive impacts of the IESP, the Commission considered the project's capacity to enhance economic development and security in the region through enhanced energy security, local business and employment opportunities, training and capacity building, improvements to local infrastructure, and reduction in local diesel fuel and gas costs. In reaching its conclusion that the Energy Centre Activities will likely have no or negligible negative socio-economic effects, the Commission considered the small scope of the Energy Centre Activities (in relation to other gas production facilities in Canada) and their location on Inuvialuit private lands, and the low potential for impacts on socio-economic valued components, as well as IESPL's proposed mitigation measures to address any potential negative residual effects of the Energy Centre Activities.

The Commission also considered EISC's conclusions on the project and the letters of support from potentially affected Indigenous Peoples and organizations filed or referenced on the record, outlining the necessity of the project for their communities.

The Commission notes that there is no evidence of traditional land use in the project area and that it received no submissions from those potentially impacted by the IESP identifying socio-economic concerns with the proposed Energy Centre Activities.

The Commission acknowledges IESPL's submission that it has obtained all clearances and permits relating to archaeology and heritage resources for the IESP and is satisfied with IESPL's commitment to follow its Archaeological Site Management Plan and related procedures in the event of a chance find or discovery.

The Commission is also satisfied with IESPL's submission that it has addressed all concerns raised to date to the satisfaction of interested parties, as well as with IESPL's commitment to continued engagement throughout the CER regulatory processes and the lifecycle of the IESP.

5.4. Financial Matters

IESPL stated that it is wholly owned by the IPC, which was formed under the *Inuvialuit Final Agreement*. IESPL stated that, beyond the requirements for financial responsibility and insurance under the OGOA, the IESP must also meet the following principle of the *Inuvialuit Final Agreement*: "to protect and preserve the Arctic wildlife, environment and biological productivity."

IESPL stated that the overall estimated capital cost for the IESP remains between 200 and 300 million dollars, as per the completed class 3 engineering estimate.

IESPL indicated that it assessed its potential financial responsibility under the OGOA related to the Energy Centre by evaluating the risks associated with the Energy Centre Application scope of work. IESPL concluded that a liquid hydrocarbon spill requiring a multi-season cleanup effort remains the largest environmental risk and overall worst-case financial scenario, as identified in filings related to the early site works and well workover applications. As proof of financial responsibility for the IESP, including the Energy Centre, IESPL stated that it will rely on a single parental guarantee from IPC in the amount of 1.3 million dollars, as previously presented through the early site works and well workover applications.

In addition to the parental guarantee, IESPL stated that since the suspended TUK M-18 gas well was purchased, IESPL has had in place a commercial general liability and umbrella liability policy that includes environmental impairment liability to cover the wellsite. IESPL submitted evidence that it holds this insurance, including a certificate of insurance that details the liability limits for the three separate policies (i.e., commercial general liability, umbrella liability, and contractors' environmental liability). IESPL submitted that during the construction phase, an owner-controlled insurance program will be in place that will insure the real property through an "all risk course of construction," a wrap up liability policy to cover third-party liability claims, and a project specific contractor's pollution liability policy to cover pollution claims. When the construction phase is complete, IESPL will arrange for coverage for the operations phase of the IESP, which will include "all risk property" coverage that will apply to the real property and include business interruption, commercial general liability and umbrella liability, environmental liability, and equipment breakdown.

Commission analysis and findings

The Commission is satisfied that IESPL has submitted sufficient evidence to support, and therefore approves, the use of a parental guarantee from IPC as proof of financial responsibility for the Energy Centre. In accepting a parental guarantee as proof of financial responsibility, the Commission considered evidence of IESPL's corporate insurance programs and IESPL's ownership structure. The Commission is satisfied that a transport-related spill into a flowing watercourse continues to represent the greatest potential to cause loss or damage associated with the Energy Centre. As a result, a worst-case financial scenario of 1.3 million dollars (as submitted in the Application) continues to be reasonable for all components of the IESP, including the Energy Centre.

To ensure the continued and ongoing financial position of IPC, as the entity to provide the parental guarantee to IESPL, the Commission has imposed **Condition 6** (Financial Material Changes), which requires IESPL to update the CER if there are any material changes in the financial position of the guarantor or its proof of financial responsibility.

IESPL previously provided a parental guarantee for the early site works and well workover authorizations for the IESP. The Commission imposes **Condition 5** (Financial Responsibility – Parental Guarantee and Insurance), which requires IESPL to submit a final, signed, executed copy of the parental guarantee, in substantively the same form, but which includes reference to the Energy Centre, at least 90 days prior to commencing Energy Centre installation activities.

5.5. Engineering Matters

IESPL stated that it is developing an Integrated Management System (**IMS**) that integrates operations and its health and safety, environment, quality, and emergency management plans with its management of financial and human resources to ensure compliance with the OGOA and the OGDPR. IESPL submitted that all elements of its IMS will be reviewed,

tested, and functional six weeks prior to initiation of the work scope, and that IESPL will regularly audit and review the IMS.

IESPL committed to ensuring that the well, installations, equipment, and facilities are designed, constructed, tested, maintained, and operated in a manner to prevent incidents and waste under the maximum load conditions that may be reasonably anticipated during an operation. IESPL stated that all components required for the IESP will be inspected by the supplier prior to shipping and again prior to installation, and that any unsuitable material will be replaced.

IESPL stated that it will ensure that the equipment to be used in the installation and operation of the Energy Centre will be fit for the purposes of the work it is to be used for, the related operating procedures and site-specific procedures are appropriate, and the personnel who are to be employed in connection with them are qualified and competent for the task required of them. IESPL further stated that staff and the contractors conducting the supervision of this work will have suitable experience. Requirements for training and certifications for installations and operations personnel will be provided in contracts with contractors and completed three months prior to commencement of operations.

IESPL stated that it will contract out the installation work for the Energy Centre, and that compliance monitoring will focus on contractor management. IESPL further stated that a representative from IESPL will continually oversee the installation activities. IESPL committed that, once installation is complete, the placement of Energy Centre equipment will comply with the Northwest Territories' *Oil and Gas Installations Regulations*. IESPL committed to keeping records of maintenance, tests, and inspections of the TUK M-18 well, as well as the piping and pressure equipment and systems critical to safety and environmental protection.

IESPL submitted that, during commissioning and operation of the Energy Centre, gas will only be flared in the event of an upset condition (i.e., for equipment protection or to reduce pressure to complete safe maintenance on equipment), and planned events will typically be of short duration. According to the engineering design at the time of the Energy Centre Application, the flare stack is approximately 23 metres in height and located on a gravel pad a minimum of 50 metres from other equipment. IESPL committed to following standard industry practice for metering production from TUK M-18.

Commission analysis and findings

The Commission finds that IESPL provided a sufficient level of detail to describe the scope of the proposed Energy Centre Activities. The Commission notes that IESPL committed to ensuring that the equipment to be used for the Energy Centre will be fit for purpose, as is required by section 15 of the OGOA. The Commission also notes that, as described in the *Environment Matters* section above, IESPL has included mitigation measures in the design and for the operation of the Energy Centre, to reduce the potential for permafrost degradation.

The Commission notes that IESPL indicated in its submissions that it continues to advance the engineering design of the Energy Centre. Because it is critical to complete detailed engineering design prior to commencing Energy Centre installation activities, the Commission imposes **Condition 10** (Engineering Design), which requires IESPL to file with the CER a detailed piping and instrumentation diagram at least 60 days prior to commencing Energy Centre installation activities.

To support the safe operation of the Energy Centre, the Commission also imposes **Condition 16** (Preventive Maintenance Schedule), which requires IESPL to file, at least 60 days before commencing operation of the Energy Centre, details of the preventive maintenance system for the Energy Centre to ensure its ongoing integrity.

The Commission is satisfied that IESPL will follow applicable regulations, codes, standards, and industry best practices during the installation and operation of the Energy Centre. Implementation of these commitments will result in the Energy Centre being well-designed and operated in a manner that prioritizes maintenance activities required to keep the facilities in a good and safe operating condition.

5.6. Safety and Emergency Management

5.6.1 Safety

IESPL stated that it has developed a safety management program in alignment with the Northwest Territories' OGDPR, ISO 45001:2018, ANSI/ASSE Z10-2012 (R2017), and the Northwest Territories' *Safety Act* and regulations.

The safety management program includes the IMS, a Health and Safety Plan, and health and safety procedures. In the Health and Safety Plan, IESPL stated that it completed a hazard identification study and identified hazards associated with the Energy Centre Activities, together with related mitigation measures. Identified hazards include a well blowout, permafrost degradation, severe weather, loading leaks, wildlife interactions, gas leaks, overpressure incidents, facility fire or explosion, and vehicle accidents.

In the Health and Safety Plan and related submissions, IESPL identified several processes and procedures that are under development and will be finalized at least six weeks prior to commissioning the IESP. IESPL further provided summaries of the content of these procedures, including safe work permitting, energy isolation, and critical device by-pass.

IESPL submitted that its IMS will manage process safety risks and will meet the requirements of CAN/CSA-Z767:17. IESPL submitted that process safety risks will be identified as part of detailed engineering, and that all process plant equipment will be subject to a hazard and operability study. IESPL filed its process hazard assessment risk matrix, which identifies the likelihood and severity of various types of risks associated with the IESP, and how IESPL will manage these risks if they materialize.

IESPL submitted that it will contract a Canadian installation company with Northwest Territories and Arctic experience to complete the installation of the Energy Centre. IESPL's contractor management process is summarized in the Energy Centre Application. During installation, the safety plans and procedures of the installation contractor will apply onsite. IESPL submitted that a representative from IESPL will continually observe contractors during installation activities for compliance with both contract and health and safety requirements.

Commission analysis and findings

The Commission finds that the safety-related information IESPL provided in the Energy Centre Application and related submissions, including commitments to recognized industry standards (e.g., ISO 45001:2018 for occupational health and safety management, CSA Z767:17 for process safety management), demonstrate that IESPL has an adequate framework in place to manage the safe installation, commissioning, and operation of the

Energy Centre. The hazards identified, evaluation of risks, and proposed mitigation measures, are logical and appropriate for the Energy Centre Activities.

Because IESPL will rely on contractors to complete the installation of the Energy Centre, prudent selection and oversight of contractors provide the most significant opportunities for IESPL to ensure that the work will be executed safely. For this reason, the Commission finds appropriate IESPL's commitment to having an on-site construction manager oversee the work performed by contractors during the installation phase.

The Commission is satisfied with IESPL's commitment to perform a process hazard analysis on all process plant equipment, and its related commitment to adhere to the requirements of CSA Z767:17 regarding process safety management. This would include the requirement set out in clause 6.2.1 of CSA Z767:17 that process hazard analyses be completed at appropriate stages in the design, construction, and start-up of a project.

The Commission imposes **Condition 17** (Operational readiness and pre-start up safety review), which requires IESPL to file for approval, 14 days prior to commencing operation of the Energy Centre, a signed confirmation that a pre-start-up safety review has been completed. This condition will provide additional certainty that the appropriate procedures are in place and the Energy Centre equipment will be operated by competent personnel, according to design specifications, before introducing hydrocarbons into the facility piping and other equipment.

5.6.2 *Emergency Management*

IESPL stated that the Emergency Management Program is a key component of its IMS, by establishing a framework to ensure that appropriate levels of emergency response and support capabilities are in place across all levels of IESPL's business practices. The Energy Centre Application states that IESPL's Emergency Management Program will be guided by various industry standards and best practices, including the Canadian Standard Association's standard for Emergency Preparedness and Response for Petroleum and Natural Gas Industry Systems (Z246.2-18).

In the Energy Centre Application, IESPL provided a list of potential emergency-related events that may occur in relation to Energy Centre installation and operations activities. IESPL submitted two emergency response plans (**ERP**) with the Energy Centre Application: one specific to the installations phase and the other specific to the operations phase. In the ERPs, IESPL included quick guides containing situational or hazard-specific response recommendations, and unique hazards matrix templates, which IESPL stated it would populate 90 days prior to beginning operations. The unique hazard matrix templates indicate that they are intended to address potential emergency scenarios, and include planned mitigation measures.

IESPL explained that each element of the ERPs is based on the outcome of a detailed hazard, risk, vulnerabilities, and capabilities assessment, and that this assessment process will be completed at the outset of each major project phase and refreshed as needed at various stages of the IESP lifecycle. IESPL filed an Incident Reporting and Management Procedure for the IESP, which is intended to assist IESPL in classifying, investigating, reporting, and managing incidents that may occur at any location where work activities are carried out. IESPL also indicated that it will have field operating guides in place to assist in making the various event response procedures readily and clearly understood in the event of an emergency.

In both ERPs for the Energy Centre, IESPL described the role of the CER and included the CER's incident phone line and the CER's Online Event Reporting System as compulsory contacts for all incidents and near misses. IESPL also listed external agency notification requirements for incidents and near misses in both ERPs and in the IESP Incident Reporting and Management Procedure.

IESPL committed to using the Incident Command System for its emergency management programs, processes, and training, and stated that IESPL believes that the Incident Command System provides the best option for coordination measures with any relevant municipal, provincial, territorial, or federal emergency response plans. In addition, IESPL submitted that it will conduct a public information program 90 days prior to the commencement of operations and that this program will include in-person meetings with local responders (e.g. fire and police) to determine emergency and incident response capabilities and limitations, and to discuss joint response strategies and the possibility of a unified command approach.

IESPL stated in its training policy that it provides its employees with ongoing training in safety, first aid, emergency response, spill prevention, ignition, environmental protection, and control procedures, as required. IESPL submitted that it will ensure that the personnel it employs in connection with the installation and operations of the Energy Centre are qualified and competent for the tasks required of them and that training exercises are an integral part of the training process and allow responders to practice their roles and identify opportunities to improve preparedness. IESPL identified that its Vice President of Health, Safety, Security and Environmental Quality is responsible for responder training, maintaining records of training, and overall preparedness.

IESPL noted in several sections of both the Energy Centre ERPs that certain information would be finalized or updated 90 days prior to commencing operations. This includes information vital for emergency response purposes, such as a listing of emergency response equipment at the site.

Commission analysis and findings

In assessing IESPL's submissions regarding its preparedness for response to an emergency resulting from Energy Centre Activities, the Commission considered the requirements of the OGDPR, the Northwest Territories Office of the Regulator of Oil and Gas Operations' *Contingency Plan Guidelines and Interpretation Notes*,⁷ and common core elements of emergency management programs. While the Commission finds appropriate IESPL's reliance on the Canadian Standards Association Emergency Preparedness and Response for Petroleum and Natural Gas Industry Systems standard to guide the IESP Emergency Management Program, the Commission notes that a more recent version of this standard is available (i.e., IESPL referenced version Z246.2-18, and version Z246.2:23 is now available). The Commission expects IESPL to rely on the most recent version of this standard as IESPL continues to develop and refine its Emergency Management Program.

The Commission finds that IESPL has developed comprehensive emergency response plans to manage emergencies that may occur during the Energy Centre Activities, including processes to identify, manage, and mitigate risks, and adoption of the Incident Command System. In the event of an accident or malfunction, IESPL will be accountable for an appropriate response under IESPL's Emergency Management Program.

⁷ Available on the Office of the Regulator of Oil and Gas Operations' website: orogo.gov.nt.ca.

The Commission notes that IESPL's Energy Centre Installations Phase and Operations Phase Emergency Response Plans are incomplete in some areas, as IESPL continues to finalize the IESP site design, plans, and staffing. The Commission recognizes, however, that IESPL has committed to conducting a new hazard, risk, vulnerabilities, and capabilities assessment prior to commissioning and operating the Energy Centre, and ultimately incorporating all outstanding information 90 days prior to commencing operations. Information to be added includes that related to company contact numbers, emergency scenarios and mitigation measures, emergency response equipment inventories, and the results of IESPL's public information program. The Commission accepts that some content will be developed closer to the date of operations.

The Commission requires IESPL to demonstrate that its emergency response documentation is complete prior to commencing installation and commissioning of the Energy Centre. The Commission therefore imposes **Condition 9** (Emergency Management Documents - Installation), which requires IESPL to file with the CER, at least 90 days prior to commencing Energy Centre installation, an updated copy of the IESP Energy Centre Installations Phase Emergency Response Plan. The Commission also imposes **Condition 14** (Emergency Management Documents - Operations), which requires IESPL to file with the CER, at least 90 days prior to commissioning the Energy Centre, an updated IESP Energy Centre Operations Phase Emergency Response Plan and field operating guides that support emergency response. The Commission has created two conditions with respect to the Emergency Management Documents – one for the Installations phase and one for the Operations phase of the IESP. By including **Condition 9** as a separate condition, it provides more time for IESPL to complete its IESP Energy Centre Operations Phase Emergency Response Plan, given that installation is planned to start several months before commissioning of the Energy Centre.

The Commission supports transparent access to IESP Emergency Management Program information for members of the public and for agencies involved in public safety and environmental protection. This information includes identification of the potential hazards associated with the Energy Centre, the mitigation measures IESPL has implemented to reduce risks, how to report an emergency to IESPL, general procedures to be followed in the event of an emergency, and how IESPL will communicate with those impacted by an emergency at the site. **Condition 14** will facilitate access to this information, as it requires IESPL to publish Emergency Management Program information on its IESP website.

The Commission is satisfied that IESPL's commitment to adhere to applicable safety standards, combined with the emergency management framework described in the Energy Centre Application and related submissions, planned engagement with local agencies, and IESPL's commitment to providing completed Energy Centre ERPs, corresponds to the CER's emergency management expectations. These expectations include the application of an all-hazard approach, the development of specific emergency response procedures, and links with public authorities. The Commission observes that the IESP Energy Centre ERPs inappropriately refer to well workover operations in places. To ensure that these references do not result in confusion for those relying on the ERPs, the CER will assess both the completeness and the accuracy of the documents IESPL files to meet the requirements of both **Condition 9** and **Condition 14**.

Emergency response exercises are an integral part of an emergency management program. Such exercises serve various functions. They provide opportunities to test emergency response procedures, build inter-agency relationships, and demonstrate skills and knowledge learned through training and operations. Accordingly, the Commission also imposes **Condition 19** (Emergency Response Exercise), which requires IESPL to hold a functional or full-scale emergency response exercise to evaluate the effectiveness of the

IESP Energy Centre Operations Phase ERP, associated procedures, and emergency response training, within 12 months of commencing operation of the Energy Centre. IESPL must notify the CER a minimum of 180 days prior to the exercise and file a copy of the exercise after-action report with the CER within 45 days of completing the exercise. The Commission included a notification timeline of 180 days in **Condition 19** to assist in planning CER participation.

To ensure that the CER has a current copy of the Energy Centre ERP during IESP operations on file, and considering that the IESP is intended to operate for several decades, the Commission imposes **Condition 20** (Continuous Improvement in Emergency Response), which requires IESPL to file with the CER, on an annual basis until the end of operation of the Energy Centre, an updated electronic copy of the ERP or written confirmation from a responsible officer of IESPL that there have been no changes from the previous year.

The Commission directs IESPL to serve a copy of this Letter Decision on all persons and organizations listed in Appendix II.

For any questions regarding this decision, please contact Tony Epp, Process Advisor, by email at IESP.ProcessHelp@cer-rec.gc.ca or by telephone at 1-800-899-1265.

Yours sincerely,

Signed by

Ramona Sladic
Secretary of the Commission

Attachments

Appendix I
Authorization granted for Installation and Operation of the Energy Centre
of the Inuvialuit Energy Security Project
Hearing Order MH-002-2022
Conditions under paragraph 10(1)(b) of the
Northwest Territories' *Oil and Gas Operations Act*

The terms and expressions below (in bold) have the following meanings:

Energy Centre: The physical gas plant, comprised of pre-fabricated modules and related infrastructure installed at the Inuvialuit Energy Security Project (**IESP**) site.

Energy Centre Activities: Activities related to the installation, commissioning, and operation of the Energy Centre, including transportation of compressed natural gas (**CNG**) and other fuels by truck to regional users, in accordance with the Northwest Territories' *Oil and Gas Operations Act* and its regulations.

Installation: Activities associated with the assembly of the Energy Centre, including the setting of plant modules and off-module equipment (such as tanks, fired heaters and furnaces, piping and pipe racks, and heat recovery units) onto pile foundations, assembly and installation of interconnecting pipe ways and electrical systems, and installation of plant infrastructure (such as office/control room and warehouse).

Commissioning: Activities associated with the start-up of the Energy Centre, including activities to test the equipment, connections, etc., as well as completion activities to validate installation in accordance with the design, demonstration of strength and integrity of the piping and mechanical systems, and communication and function of the control systems.

Operation: Activities that include natural gas treatment and natural gas liquids extraction, CNG production, synthetic diesel production, fuel loading, waste management, and supporting infrastructure and equipment.

For approval: Where a condition requires a filing for Commission approval, IESPL must not commence the indicated activity until the Commission issues its written approval of that filing.

Include: Use of this term, or any variant of it, is not intended to limit the elements to just those listed. Rather, it implies minimum requirements with the potential for augmentation, as appropriate.

General / Overarching Conditions

1. Condition Compliance

IESPL must comply with all the conditions contained in this authorization for the Energy Centre unless the Commission otherwise directs or, where appropriate, an authorization or exemption is granted pursuant to subsection 54(1) of the Northwest Territories' *Oil and Gas Operations Act*.

2. Design, Location, Construction, Installation, and Operation

IESPL must cause the Energy Centre to be designed, located, constructed, installed, and operated in accordance with the specifications, standards, commitments made, and other information referred to in the application for authorization for the Energy Centre Activities and related submissions.

3. Environmental Protection

IESPL must implement or cause to be implemented all of the policies, practices, programs, mitigation measures, recommendations, procedures, and its commitments for the protection of the environment included or referred to in the application for authorization for the Energy Centre and related submissions.

4. Sunset Clause

This Authorization will expire on 31 March 2027 unless the Energy Centre installation has commenced by that date.

Pre-Installation

5. Financial Responsibility – Parental Guarantee and Insurance

IESPL must file with the Canada Energy Regulator (**CER**), **at least 90 days prior to commencing Energy Centre installation**:

- a) a final, executed copy of the parental guarantee, in the amount and substantively in the final form submitted by IESPL on the MH-002-2022 hearing record, amended to include express reference to the Energy Centre where appropriate, as proof of financial responsibility in relation to the Energy Centre; and
- b) a final copy of the insurance policy or policies in relation to the Energy Centre, updated as relevant, as referenced on the MH-002-2022 hearing record.

6. Financial Material Changes

IESPL must notify the CER in writing, **within five business days of learning that there are, or there will be**, any material changes to:

- a) the financial position of the guarantor that may affect IESPL's ability to address loss, damage, costs, and expenses caused by spills or debris from the Energy Centre for the IESP. An example of a material change in financial position may be a significant draw of credit;
- b) IESPL's form of proof of financial responsibility, as filed in support of **Condition 5** to this authorization, including but not limited to cancellation or amendments to the parental guarantee;
- c) the financial information submitted by IESPL as part of the MH-002-2022 hearing in support of its proposed form and amount of proof of financial responsibility, including material changes to relevant insurance policies; or
- d) IESPL's ability to continue to own and/or operate the IESP.

7. Digital Light Intensity Monitoring Procedure

IESPL must file with the CER, **at least 90 days prior to commencing Energy Centre installation**, a Digital Light Intensity Monitoring Procedure.

8. Air Quality Modelling

IESPL must file with the CER, **at least 90 days prior to commencing Energy Centre installation**, a summary of its air quality modelling that has been completed for the Energy Centre operation, including an explanation of how the emissions are in compliance with applicable federal and territorial legislative requirements and guidelines. The air quality modelling summary should also include any additional mitigation measures identified to address any modelled exceedances.

9. Emergency Management Documents – Installation

IESPL must file with the CER, **at least 90 days prior to commencing Energy Centre installation**, an updated IESP Energy Centre Installations Phase Emergency Response Plan that is specific to the Energy Centre.

10. Engineering Design

IESPL must file with the CER, **at least 60 days prior to commencing Energy Centre installation**, a piping and instrumentation diagram that details the specifications for mechanical equipment, process piping, and process control instrumentation for the Energy Centre.

11. Commitment Tracking Table

IESPL must:

- a) file with the CER and post on the IESP website, **at least 45 days prior to commencing Energy Centre installation**, a Commitment Tracking Table listing all commitments made by IESPL in the application for authorization for the Energy Centre and related submissions, which includes:
 - i) reference to the documentation in which each commitment appears (for example: the application and subsequent filings; responses to information requests; any permit, authorization, or approval requirements; condition filings; Environmental Impact Screening Committee decision; or other documents);
 - ii) the accountable lead person for implementing each commitment; and
 - iii) the estimated timeline required to fulfill each commitment.
- b) update the status of each commitment in part a) on the IESP website and file these updates with the CER, identifying the updates in a blackline version, **on a quarterly basis until the end of the seventh year following the completion of Energy Centre installation**.
- c) maintain at IESPL's construction office(s):
 - i) a current copy of the Commitment Tracking Table required in a) above, and the status of each condition, as required in b) above;
 - ii) copies of any permits, approvals, or authorizations issued by federal, territorial, or other permitting authorities, which include environmental conditions, recommendations, or site-specific mitigation or monitoring measures; and
 - iii) any subsequent changes to permits, approvals, or authorizations referenced in c) ii).

12. Installation Schedule

IESPL must file with the CER, **at least 30 days prior to commencing Energy Centre installation**, a detailed installation schedule or schedules identifying major installation activities; and must notify the CER of any modifications to the schedule or schedules as they occur.

During Installation / Prior to Operation

13. Installation Progress Reports

IESPL must file with the CER, **by the 15th and the last day of each month during Energy Centre installation**, installation progress reports. Each report must include:

- a) information on the activities carried out during the reporting period;
- b) any environmental, socio-economic, safety, and security issues, and issues of non-compliance;
- c) the measures undertaken for the resolution of each issue identified in paragraph (b) above; and
- d) information on safety performance indicator trends, such as, but not limited to:
 - i) cumulative total, and contractors', recordable injury rates and/or frequency;
 - ii) total, and contractors', lost time injury rates and/or frequency;
 - iii) total, and contractors', preventable motor vehicle incident rates and/or frequency; and
 - iv) respective benchmarks for all safety performance indicators submitted, as set by IESPL.

14. Emergency Management Documents – Operation

IESPL must file with the CER, **at least 90 days prior to commissioning the Energy Centre**:

- a) an updated IESP Energy Centre Operations Phase Emergency Response Plan and field operating guides that are specific to the Energy Centre;
- b) the most current version of the Incident Reporting and Management and Reporting Procedure for the IESP; and
- c) confirmation that emergency management program information for the IESP is available on the IESP website.

15. Wildlife Noise Monitoring Plan

IESPL must file with the CER, for Commission approval, **at least 90 days prior to commencing operation of the Energy Centre**:

- a) a wildlife noise monitoring plan identifying the procedure to be used for monitoring, the locations to be monitored and a description of the threshold noise levels for each species known to occur in the local study area, as defined in the Energy Centre Authorization Application), for the IESP, including the sensitive windows for noise for each species; or

- b) rationale for why wildlife noise monitoring is not required, including:
 - i) the results of a literature review of wildlife species known to occur in the local study area, including noise thresholds for the sensitive windows (e.g., breeding, calving, denning, etc.) for each species;
 - ii) how the noise levels from the Energy Centre are expected to impact the species within the local study area during the sensitive windows for each species, including any new mitigation measures IESPL intends to implement; and
 - iii) evidence of consultation with the Wildlife Management and Monitoring Plan Review Committee regarding IESPL's intent to not conduct wildlife noise monitoring as described in the IESP Environmental Protection Plan revision 5.2), including any concerns raised and how the concerns were addressed.

16. Preventive Maintenance Schedule

IESPL must file with the CER, **at least 60 days prior to commencing operations of the Energy Centre**, details of IESPL's Preventive Maintenance System, including:

- a) a detailed description of how the integrity of the Energy Centre will be assessed and how the Energy Centre will be maintained on an ongoing basis; and
- b) an inspection schedule for the Energy Centre that includes a non-destructive examination of critical joints and components to ensure continued safe operation of the Energy Centre.

17. Operational readiness and pre-start-up safety review

IESPL must file with the CER, for Commission approval, **at least 14 days prior to commencing operation of the Energy Centre**, evidence that a pre-startup safety review has been completed for the Energy Centre. The filing must include:

- a) confirmation, signed by a responsible officer of IESPL, that:
 - i) appropriate safety, operating, maintenance, and emergency procedures are in place;
 - ii) all control and safety devices were successfully inspected and tested for functionality;
 - iii) recommendations from process hazard analyses have been resolved or implemented or that IESPL has plans in place for completion of outstanding work;
 - iv) personnel involved in operating the TUK M-18 well and Energy Centre are qualified and competent for their assigned duties; and
 - v) there are no changes to any equipment, any installation, the operating procedures, or any personnel, that would require a new declaration, in accordance with subsection 15(3) of the Northwest Territories' *Oil and Gas Operations Act*;
- b) a list of any outstanding work items or unresolved checklist items from the pre-startup safety review and IESPL's plans to complete them, with a justification as to why they can be deferred until after start-up; and
- c) if unable to confirm a)v) a new declaration in accordance with subsection 15(3) of the Northwest Territories' *Oil and Gas Operations Act*.

Post-Installation / Operations

18. Condition Compliance by the Responsible Officer

IESPL must file with the CER, **within 30 days after commencing operation of the Energy Centre**, confirmation that the Energy Centre was installed in compliance with all applicable conditions of this Authorization. If compliance with any of these conditions cannot be confirmed, IESPL must file with the CER details as to why compliance cannot be confirmed. The filing required by this condition must include a statement confirming that the signatory to the filing is a responsible officer of IESPL.

19. Emergency Response Exercise

IESPL must:

- a) hold a functional or full-scale emergency response exercise to evaluate the effectiveness of the Emergency Response Plan **within 12 months after commencing operation of the Energy Centre**;
- b) notify the CER **at least 180 days prior to the date of the exercise**; and
- c) file a copy of the exercise after-action report with the CER **within 45 days following completion of the exercise**.

20. Continuous Improvement in Emergency Response

IESPL must file with the CER, **on or before 1 April of each year, until the end of operation of the Energy Centre**, either an updated copy of its Energy Centre Operations Phase Emergency Response Plan or a letter to communicate that there have been no changes to the Energy Centre Operations Phase Emergency Response Plan.

Appendix II – List of potentially impacted Indigenous Peoples and organizations in the Inuvialuit Energy Security Project area

Inuvialuit Regional Corporation, including:

- Aklavik Community Corporation
- Inuvik Community Corporation
- Paulatuk Community Corporation
- Sachs Harbour Community Corporation
- Tuktoyaktuk Community Corporation
- Ulukhaktok Community Corporation

Inuvialuit Game Council, including:

- Aklavik Hunters and Trappers Committee
- Inuvik Hunters and Trappers Committee
- Paulatuk Hunters and Trappers
- Sachs Harbour Hunters and Trappers Committee
- Tuktoyaktuk Hunters and Trappers Committee
- Ulukhaktok Hunters and Trappers Committee

Gwich'in Renewable Resources Board

Gwich'i'in Tribal Council

Nihtat Gwich'i'in Council

Nihtat Gwich'in Renewable Resources Council

Inuvik Native Band

Inuvik Métis Council

Aklavik Indian Band

Ehdiitat Gwich'in Council

Ehdiitat Gwich'in Renewable Resource Council

Town of Inuvik

Hamlet of Tuktoyaktuk

Inuvialuit Land Administration

Wildlife Management Advisory Council (NWT)

Fisheries Joint Management Committee

Environmental Impact Screening Committee

Environmental Impact Review Board

Inuvialuit Water Board