



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 01  
28 June 2023

Travis Balaski  
President  
Inuvialuit Energy Security Project Ltd.  
Suite 1100, 110 – 9<sup>th</sup> Avenue SW  
Calgary, AB X0E 0T0  
Email [tbalaski@inuvaluit.com](mailto:tbalaski@inuvaluit.com)

Shawn Petrie  
Manager of Legal Services  
Inuvialuit Corporate Group  
Suite 1100, 110 – 9<sup>th</sup> Avenue SW  
Calgary, AB X0E 0T0  
Email [spetrie@inuvaluit.com](mailto:spetrie@inuvaluit.com)

Dear Travis Balaski and Shawn Petrie:

**Inuvialuit Energy Security Project Ltd.  
Inuvialuit Energy Security Project – Application for Authorization for Early Site  
Works, pursuant to paragraph 10(1)(b) of the Northwest Territories *Oil and Gas  
Operations Act* – Hearing Order MH-002-2022  
Early Site Works Authorization Approval: OA-1414-001  
Decision with Reasons to Follow**

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

On [24 June 2022](#), Inuvialuit Energy Security Project Ltd. (**IESPL**) filed with the Canada Energy Regulator (**CER**) an application for an authorization for early site works (**ESW Application**) for the Inuvialuit Energy Security Project (**IESP**), pursuant to paragraph 10(1)(b) of the Northwest Territories *Oil and Gas Operations Act* (**OGOA**).

Through the ESW Application, IESPL requested an authorization to construct the necessary foundations for the IESP. The ESW Application includes the following activities:

- construction of a 4 kilometer all-weather gravel access road;
- placement of a 33.5 metre (110 feet) long bridge to cross a creek;
- construction of the Energy Centre pad; and
- installation of adfreeze piles for some of the Energy Centre structures or modules.

IESPL proposes to complete the early site works, including the construction of the all-weather access road, between September 2023 and April 2024.

The Commission of the CER previously approved the development plan for the IESP under subsection 14(4) of the OGOA. By Letter Decision dated [22 June 2023](#), the Commission approved IESPL's 17 March 2023 request to amend the development plan for the IESP,

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pursuant to paragraph 14(5)(a) of the OGOA. The Commission notes that its approval of the amendments to Part 1 of the development plan are subject to the consent of the Northwest Territories' Commissioner in Executive Council, which consent remains outstanding.<sup>1</sup>

## **Decision**

The Commission approves the ESW Application and issues the requested authorization for early site works, subject to the conditions in Appendix I of this Letter Decision. To reach this decision, the Commission considered the contents of the ESW Application; all submissions relevant to early site works filed on the MH-002-2022 [hearing record](#), including letters of support for the IESP from potentially affected Indigenous Peoples and organizations; and relevant submissions from the technical conference held on 24 May 2023. The Commission also considered the safety of the proposed early site works, based on a review of the system as a whole and its components, following the Commission's consultations with the Chief Safety Officer in accordance with section 12 of OGOA. The Commission will issue its reasons for this decision in due course.

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](mailto: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

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<sup>1</sup> Paragraph 14(5)(a) of the OGOA states that "(...) no amendment of the development plan may be made unless it is approved by the Regulator and, in the case of an amendment to Part 1 of the development plan, the Commissioner in Executive Council consents to the approval".

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

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

**Early Site Works:** Activities for the purpose of constructing the necessary civil foundations for future phases of the IESP involving construction of an all-weather gravel access road; placement of a bridge to cross a creek; construction of the Energy Centre pad; and installation of adfreeze piles for some of the Energy Centre structures or modules.

**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 of the conditions contained in this Authorization for Early Site Works 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, and Operation**

IESPL must cause the approved Early Site Works to be designed, located, constructed, and operated in accordance with the specifications, standards, commitments made, and other information referred to in the application for authorization for Early Site Works 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 Early Site Works and related submissions.

**4. Sunset Clause**

This Authorization will expire on 28 June 2026 unless Early Site Works construction has commenced by that date.

## **Pre-Construction**

### **5. Financial Responsibility – Financial Statements**

IESPL must file with the CER, **no later than 10 days after the authorization for Early Site Works is issued:**

- a) signed and audited 2022 financial statements and notes for the Inuvialuit Petroleum Corporation that demonstrate sufficient funds to support the parental guarantee; and
- b) a statement signed by an officer of the Inuvialuit Petroleum Corporation that no material financial changes occurred between the end date of the financial statements (e.g. 31 Dec 2021) and the date of issuance of the authorization for Early Site Works.

### **6. Financial Responsibility – Parental Guarantee and Insurance**

IESPL must file with the CER, **at least 45 days before Early Site Works construction:**

- a) for approval, 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, as proof of financial responsibility in relation to Early Site Works; and
- b) a final copy of the insurance policy or policies in relation to Early Site Works, referenced on the MH-002-2022 hearing record.

### **7. 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 Early Site Works 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 6** 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.

### **8. Safety and Emergency Management Documents**

IESPL must file with the CER, **at least 45 days prior to commencing Early Site Works construction,** updated copies of the following documents specifically reflecting Early Site Works:

- a) Contractor Management Procedure;
- b) Incident Accident Reporting and Management Procedure;
- c) Emergency Response Plan; and

- d) Field operating guides for emergency response.

### **9. Environmental Procedures**

IESPL must file with the CER, **at least 45 days prior to commencing Early Site Works construction**, the following documents:

- a) Ambient Air (Dust) Monitoring Procedure;
- b) Noise Monitoring Procedure;
- c) Digital Light Intensity Monitoring Procedure;
- d) Wildlife Sighting Reporting Procedure;
- e) Bear Den Screening Procedure;
- f) Ground Temperature Monitoring Procedure;
- g) Driver Monitoring Procedure; and
- h) Land User Interaction Reporting Procedure.

### **10. Quality Assurance / Quality Control Plan**

IESP must file with the CER, **at least 45 days prior to commencing Early Site Works construction**, a Quality Assurance/ Quality Control Plan that:

- a) outlines the necessary actions required to ensure that the design of Early Site Works, including the Energy Centre pad, access road, bridge, culverts, and adfreeze piles, is appropriate for their intended purposes; and
- b) confirms that all work, including construction of the Energy Centre pad, access road and installation of the bridge, culverts, and adfreeze piles, will be supervised by a Professional Engineer registered with the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists.

### **11. Commitment Tracking Table**

IESPL must:

- a) file with the CER and post on the IESP website, **at least 45 days prior to commencing Early Site Works construction**, a Commitment Tracking Table listing all commitments made by IESPL in the application for authorization for Early Site Works 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 Early Site Works construction.
- 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. Construction Schedule**

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

#### **13. Amended Development Plan Approval – Consent of the Northwest Territories' Commissioner in Executive Council**

IESPL must file with the CER, **at least seven days prior to commencing Early Site Works construction**:

- a) a copy of the Northwest Territories' Commissioner in Executive Council consent to the Commission's approval of amendments to Part 1 of the IESP Development Plan, set out in the Letter Decision dated [22 June 2023](#) (**Consent**); or
- b) an alternate date for when IESPL will file the Consent with the CER, and the reason for the delay in filing.

#### **14. Energy Centre Pad and Foundation Design Drawings**

IESPL must file with the CER, at least 60 days **prior to commencing construction of the Energy Centre pad and the installation of civil foundation and adfreeze piles for the Energy Centre structures or modules**, the following information:

- a) issued-for-construction drawings that show the layout of the Energy Centre, including the location and type of the planned buildings and other facilities, and the location of any dynamic equipment within the Energy Centre;
- b) foundation design plans for each of the structures to be placed on the Energy Centre pad. The plans must show the location, type, and layout of the foundation used;
- c) the pad design plans, including the layout, thickness of the pad, the compaction effort, and the type of material to be used to build the pad; and
- d) the location of the instrumentation that will be placed to support the permafrost monitoring program within the Energy Centre.

#### **During construction**

#### **15. Construction Progress Reports**

IESPL must file with the CER, **by the 15<sup>th</sup> and the last day of each month during Early Site Works construction**, construction 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.

### **Post-Construction**

#### **16. Condition Compliance by the Responsible Officer**

IESPL must file with the CER, **within 30 days after completing Early Site Works construction**, a confirmation that the Early Site Works were completed and constructed in compliance with all applicable conditions in this Letter Decision. 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.

#### **17. Post-Construction Report**

IESPL must file with the CER, **within 270 days after completing Early Site Works construction**, a post-construction report that includes but is not limited to:

- a) as-built documentation, with appropriate certification, for Early Site Works, including the Energy Centre pad, access road, bridge, culverts, and adfreeze piles;
- b) confirmation that IESPL followed its Quality Assurance/Quality Control Plan for Early Site Works (**Condition 10**); and
- c) an explanation of any deviations to the approved design of Early Site Works, including the Energy Centre pad, access road, bridge, culverts, or adfreeze piles, with documentation of Professional Engineer approval, as required.

#### **18. Post-Construction Environmental Monitoring Report**

IESPL must file with the CER, **on or before 31 January** following each of the first, third, fifth, and seventh complete growing seasons after completing final clean-up from Early Site Works construction, a Post-Construction Environmental Monitoring Report that:

- a) describes the methodology used for monitoring, the criteria established for evaluating success, and the results found;
- b) identifies the issues to be monitored, including but not limited to unexpected issues that arose during construction, and their locations (for example, on a map or diagram, in a table);

- c) describes the current status of the issues (i.e., resolved or unresolved), any deviations from plans, and corrective actions undertaken;
- d) assesses the effectiveness of the mitigation measures, both planned and corrective, applied against the criteria for success;
- e) includes a detailed summary of IESPL's consultation undertaken with the appropriate territorial and federal authorities, co-management boards, and interested Indigenous Peoples; and
- f) provides proposed mitigation measures and the schedule that IESPL would implement to address ongoing issues or concerns.

The report must include, but is not limited to, information specific to the effectiveness of mitigation measures applied to minimize effects on: soil (erosion and sedimentation), permafrost, watercourse crossings, water quality, wildlife and wildlife habitat, and wildlife species at risk and of special concern.

### ***19. Permafrost Monitoring and Protection Report***

IESPL must file with the CER, **on or before 28 February** each year, a Permafrost Monitoring and Protection Report that includes the following information:

- a) annual results of the permafrost monitoring program;
- b) a site layout plan showing the location of the monitoring equipment. The site plan must also show the location of the structures and foundation elements at the sites for the Energy Centre and the bridge;
- c) an updated list of monitoring equipment being used and planned to be installed, including a description of the state of the equipment and any damage incurred during the year, and replacement plans;
- d) the state of the permafrost, including temperature below surface and the depth of the active layer at the monitoring locations identified in the site plan from b) and any other monitoring locations added during the year;
- e) a description of the performance of the foundations at the bridge location and Energy Centre site that were constructed during Early Site Works, including a list of locations needing mitigation and the types of mitigation measures to be implemented;
- f) the results of any permafrost monitoring along the all-weather gravel access road, including the results of visual observation, permafrost instrumentation readings, and any proposed mitigation measures; and
- g) an update on climate conditions and their impacts on the permafrost in the general area surrounding the project, including a description of the general area considered, and a comparison to the state of permafrost within the project footprint.



**Appendix II – List of potentially impacted Indigenous Peoples and organizations in the 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

Gwichi'in Tribal Council

Nihtat Gwichi'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