

**Appendix 3 Eastern Mainline – draft List of Issues**

**TransCanada PipeLines Limited (TransCanada)**  
**Application for the Eastern Mainline Project (Eastern Mainline or the Project)**  
**Draft List of Issues**

**A. Description of the applied-for Project**

TransCanada made various requests in its Eastern Mainline application under the *National Energy Board Act* (NEB Act). The attachment to this draft List of Issues outlines the specific requests made, which can also be found in the [introductory document](#) of the Project application.

Eastern Mainline is a proposed natural gas pipeline project in Ontario that would enable TransCanada to continue meeting its commercial obligations following the proposed transfer of certain of its Mainline facilities to Energy East Pipeline Ltd. (EEPL).<sup>1</sup>

The Eastern Mainline application includes the following:

- Construction of approximately 279 kilometres of new natural gas pipeline, to be built in 4 non-continuous sections between Markham and Brouseville, Ontario;
- Construction of nine compressor units at five existing compressor stations;
- Construction of required components along the pipeline, such as valves, inspection and cleaning tool launchers and receivers, and cathodic protection;
- Operation of the above facilities and infrastructure in natural gas service;
- Construction and use of permanent access roads for certain facilities;
- Construction and use of temporary infrastructure required for construction activities.

More details on the various project components can be found in [Volume 1, Section 1](#) (Project and Application Overview) of the Eastern Mainline application. In addition to the application itself, additional filings, including TransCanada's responses to past Board information requests, remain part of the hearing record, as per the Board's [Ruling No. 1.6](#). All of these filings, including the entire Project application, are accessible via the National Energy Board's (Board's) online [public registry](#).

In addition to making a public interest determination under the NEB Act, the Board will conduct an environmental assessment of the applied-for Project under the *Canadian Environmental Assessment Act, 2012* (CEAA 2012). The draft Factors and Scope of the Factors for the Environmental Assessment pursuant to the CEAA 2012, about which the Board is also seeking comment, can be found as [Appendix 4](#) to the cover letter seeking comments.

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<sup>1</sup> This proposed asset transfer and subsequent conversion to oil service form part of EEPL's Energy East Project and Asset Transfer (Energy East) application and are being considered as part of that project-specific review.

## **B. Issues that the Board will consider in its review of Eastern Mainline**

The Board will consider, but not limit itself to, the following issues in its review of the Eastern Mainline application. Please note that not all issues are applicable to each component of the Project.

### **1. PROJECT JUSTIFICATION, AND ECONOMIC AND COMMERCIAL CONSIDERATIONS**

- The need for the Project, including:
  - The justification for the capacity of the pipeline, including:
    - The supply and type of gas available to the Project
    - The existing and potential markets (national and international) for the gas to be transported by the Project
  - Commercial support for the Project, including shippers' support and commitments
  - The alternative technically, economically, and environmentally feasible means of meeting the need for the Project
  - The impacts on, and of, other pipelines and modes of transporting natural gas
- The economic feasibility of the Project
- The economic and commercial impacts of the Project, including:
  - The economic benefits for TransCanada
  - The impact on TransCanada's natural gas Mainline shippers
  - The adequacy of commercial third party notification, including shippers, commodity suppliers, end users, and other pipeline companies
  - The agreements made with commercial third parties

### **2. FINANCIAL CONSIDERATIONS**

- The corporate structure for the Project, each entity's ownership, and the responsibilities with regard to financing, constructing, and operating the Project
- TransCanada's ability to finance the Project, including:
  - The financial risk to be borne by TransCanada
  - The method of financing the Project
  - TransCanada's access to sufficient, dedicated, and readily accessible financial resources to cover the risks and liabilities arising during project construction and operations, including a significant accident or malfunction
  - The adequacy of TransCanada's estimate of the financial resources required to cover the costs of potential releases, accidents, or malfunctions during project construction and operations
  - The financial contingency for abandonment and decommissioning

### **3. TECHNICAL, SAFETY, AND SECURITY CONSIDERATIONS**

- The suitability of the proposed design, construction methods, operation, and maintenance of the Project
- TransCanada's ability to appropriately build, operate, and maintain the Project
- The risks of potential project-related releases, including:
  - The likelihood of failures, accidents, and malfunctions
  - The potential release volumes
  - The consequences of any release, including geographical extent
- The appropriateness of the proposed risk assessment, mitigation, and prevention measures and programs for the design, construction, and operation of the Project
- The safety and security associated with project construction and operations, including third-party damage prevention
- The proposed programs, plans, and measures for emergency preparedness and response
- The adequacy of liaison activities with potentially affected first responders
- Contingency planning for releases, accidents, or malfunctions during project construction and operations

### **4. ABORIGINAL CONSIDERATIONS**

- The adequacy of TransCanada's engagement with Aboriginal peoples
- The potential benefits of project construction and operations for Aboriginal peoples, including employment, contracting, procurement, training, and direct economic participation in the Project
- The integration of local and traditional knowledge, where appropriate, into the design of the Project
- With respect to Aboriginal peoples, the effects occurring in Canada of any change that may be caused to the environment on any the following:
  - Health and socio-economic conditions
  - Physical and cultural heritage
  - The current use of lands and resources for traditional purposes
  - Any structure, site, or thing that is of historical, archeological, paleontological, or architectural significance
- The role of Aboriginal peoples in monitoring during project construction and operations
- The potential effects on Aboriginal culture and institutions
- The potential effects on asserted and established Treaty and Aboriginal rights
- The adequacy of TransCanada's proposed programs and commitments, if applicable, for engaging with Aboriginal peoples during project construction and operations

## **5. LANDOWNER AND LAND USE CONSIDERATIONS**

- The potential impacts of the Project on landowners and land users, and their use of the land
- The appropriateness of the land rights and the land acquisition process for the Project
- The adequacy of TransCanada's engagement with landowners, local residents, land and waterway users
- The adequacy of TransCanada's proposed programs and commitments, if applicable, for engaging with landowners, local residents, and land and waterway users during project construction and operations

## **6. ROUTING CONSIDERATIONS**

- The appropriateness of the general route and land requirements for the Project
- TransCanada's proposed process and criteria for route selection
- The appropriateness of TransCanada's proposed re-alignments to existing portions of pipeline

## **7. MUNICIPAL AND LOCAL COMMUNITY CONSIDERATIONS**

- The potential impacts of the Project on municipalities and local communities
- The adequacy of TransCanada's engagement with municipalities, local communities, and other government authorities
- The adequacy of TransCanada's proposed programs and commitments, if applicable, for engaging with municipalities, local communities, and other government authorities during project construction and operations

## **8. ENVIRONMENTAL AND SOCIO-ECONOMIC CONSIDERATIONS**

- The adequacy of TransCanada's Environmental and Socio-Economic Assessment
- The potential effects of the Project on the environment, including:
  - Soils, terrain, and geology
  - Vegetation
  - Water, hydrology, and wetlands
  - Wildlife and wildlife habitat
  - Fish and fish habitat
  - Species at risk
  - The atmosphere, including greenhouse gas emissions
  - Protected areas
- The potential effects of the Project on socio-economic elements, including:
  - Human occupancy and resource use
  - Heritage resources
  - Traditional land and resource use

- Social and cultural wellbeing
- Human health
- Navigation and navigation safety
- Infrastructure and services
- Employment and economy, including:
  - The extent to which Canadians will have an opportunity to participate in the financing, engineering, and construction of the Project at the national, provincial, and local levels
  - The fiscal and taxation impacts at the national, provincial, and municipal levels
- The factors (such as cumulative effects and potential effects of accidents and malfunctions) described in the draft Factors and Scope of the Factors for the Environmental Assessment pursuant to the CEAA 2012 (see [Appendix 4](#) to the cover letter seeking comments)

## **9. MANAGEMENT SYSTEM CONSIDERATIONS**

- The plans or programs that TransCanada will apply during project construction and operations to ensure their compliance with commitments made, Board-imposed conditions, and applicable laws and regulations

## **10. RECOMMENDATIONS, TERMS, AND CONDITIONS**

- The recommendations to be included in the Board's report to the Minister
- The terms and conditions to be included in any orders and certificate of public convenience and necessity that the Board may issue for the Project following the Governor in Council's decision

### **C. Additional issues that the Board is considering including in its review of Eastern Mainline**

The Board is also considering including in its review of the application Items 1) and 2) below.

- 1) The potential impacts of the Project on Canada's greenhouse gas (GHG) emissions.
- 2) The potential impacts that government GHG strategies, policies, laws, and regulations (including ceilings and pricing) may have on the availability of gas supply and markets underpinning the need for the Project and its economic and financial considerations.<sup>2</sup>

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<sup>2</sup> The Board notes that gas supply and markets are included in Issue 1 in Part B of this draft List of Issues. Those wishing to comment on the possible consideration of the potential consequences that government GHG strategies, policies, laws, and regulations (including ceilings and pricing) may have on the availability of gas supply and markets may wish to incorporate those comments with any submissions they may have on Issue 1.

With regard to Item 1) – in addition to the direct GHG emissions from project construction and operations (which are included in Issue 8 under Part B of this draft List of Issues) – consideration might include GHG emissions from other project-related sources, such as those associated with the following:

- a) Any changes to the amount of gas production resulting from project operations (upstream emissions).
- b) Any changes to the amount of gas consumption resulting from project operations (downstream emissions).
- c) Any corresponding reduction in GHG emissions that may result from the Project.

Sub-items a), b) and c) of Item 1 involve considerations and matters that may be outside the scope of the applied-for designated project and beyond the Board's ability to regulate. Nevertheless, the Board considers it to be within its authority to review these considerations and matters as part of its assessment of the application, given its discretion to have regard to "any public interest that in the Board's opinion may be affected by the issuance of the certificate or dismissal of the application," as set out in paragraph 52(2)(e) of the NEB Act, as well as to consider "any other matter relevant to the environmental assessment," as set out in paragraph 19(1)(j) of the CEAA 2012.

With regard to Sub-items a), b) and c) of Item 1 the Board is particularly interested in submissions discussing how these matters are relevant to the Board's public interest determination under the NEB Act and/or to its CEAA 2012 environmental assessment of the Project. Submissions discussing if and why the Board should consider each of these matters, and the extent to which they should be considered, are also solicited. The Board encourages those commenting on these topics to review and consider any appropriate references on the hearing record when drafting their comments.<sup>3</sup>

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<sup>3</sup> See, for example, [Energy East Application Volume 2, Section 5 – Natural Gas Supply, Markets and Throughput Forecast](#)

**Attachment to the draft List of Issues – TransCanada’s requested relief in the Eastern Mainline application**

- 1) A certificate under section 52 of the NEB Act, authorizing the construction and operation of Eastern Mainline, conditional on approval of the Asset Transfer and issuance of a certificate for Energy East.
- 2) An order under section 58 of the NEB Act, exempting TransCanada from the requirements of paragraphs 31(c) and 31(d), and section 33 of the NEB Act, conditional on approval of the Asset Transfer and issuance of the certificate for Eastern Mainline and Energy East, and in relation to:
  - a) temporary infrastructure required for constructing Eastern Mainline, as specified in the Eastern Mainline application; and
  - b) the nine compressor unit additions to the five existing compressor stations in the Eastern Mainline application.
- 3) Such further and other relief as TransCanada may request or the Board may consider appropriate.