

MEETING DETAILS	Woodfibre LNG Project – Community Consultation, February 2014 Squamish Open House 2 February 15, 2014, 1:00 p.m. – 4:00 p.m. Executive Suites Hotel & Resort Clubhouse Squamish, B.C.
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PURPOSE	Notes from a Small Group Meeting for the Woodfibre LNG Community Consultation held on February 15, 2014 at the Executive Suites Hotel & Resort Clubhouse, Squamish, B.C.
FACILITATOR	Judy Kirk, Kirk & Co. Consulting Ltd.
MEETING RECORDER	Kai-lani Rutland, Kirk & Co. Consulting Ltd.
PRESENTER	Byng Giraud, Vice President, Corporate Affairs, Woodfibre LNG
ATTENDEES	Approximately 83 people attended the open house.
PROJECT TEAM ATTENDEES	AG Gelotti, President, Woodfibre LNG Byng Giraud, Vice President, Corporate Affairs, Woodfibre LNG Alex Brigden, Project Director, Woodfibre LNG Marian Ngo, Manager, Communications and External Relations, Woodfibre LNG Gord Addison, Manager, Community Relations, Woodfibre LNG Calum McClure, Liquiline Reece Fowler, Golder Associates Mark Milner, Golder Associates Mark Johannes, Golder Associates Dave Bennett, Director, External Relations, FortisBC Art Kanzaki, FortisBC Megan Harris, Capital Projects Consultation and Communications, BC Hydro Rick Kormendy, Western Forest Products

KEY THEMES

- Some participants asked for more information about the types of jobs that would be created by the Project, including whether they would be available to local workers or filled by temporary foreign workers, and whether they would be unionized positions.
- Some participants stated that Woodfibre LNG should not provide money to sponsor local organizations until after the environmental assessment process is complete.
- Some participants asked Woodfibre LNG to ensure that all facilities and equipment meet Canadian and international codes and standards, particularly if they are going to be constructed outside of Canada.
- Some participants asked about the remediation that is currently underway on the Woodfibre site, including whether members of the community could tour the site to see its current state, and the work being done to clean it up.
- Some participants sought clarification regarding the factors that Woodfibre LNG would use in deciding whether to use electricity or gas to power the liquefaction process.

The record notes that the question and answer session began at 3:02 pm.

(Abbreviations will be used and mean – Q: Question, A: Answer, C: Comment)

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1. WELCOME AND REVIEW OF AGENDA

Judy Kirk welcomed participants and explained the format of the meeting. Judy informed participants that the meeting was being recorded for accuracy and that questions and comments would be attributed to participants in the meeting notes.

2. DISCUSSION GUIDE

- Q: *Jordy Sanberg:* My question involves security. What kind of ships and what kind of security will there be with the ships? When you look down in the States, these ships are heavily guarded. I'd like to know, not just the ships, where are the transportation security officers for this project? What kind of ships are going to be guarding these ships, will it be Coast Guard or the Canadian Military or Navy? Americans take this almost like a terrorist threat and considering Canada is called a breeding ground of terrorism, I'd like to know more about the security of it.
- A: *AG Gelotti:* I wasn't going to really comment on the U.S. unless you wanted me to. For the ships here, and Calum can add to this, we are working with Transport Canada in assessing the navigation and the transit of the ships both to the terminal and from the terminal. We are also working with TERMPOL and looking at the risk assessment of transit of those ships to and from the terminal.
- Q: *Judy Kirk:* So what about the gentleman's question about any military involvement or Coast Guard?
- A: *AG Gelotti:* To my knowledge right now, there is not a requirement in Canada about a Coast Guard or military escort of LNG carriers.
- Q: *Darrel Patterson:* This is small project. I am sure you have expectations for it to be a success, how much do you intend to expand? Say if, in 10 years down the road you are successful, do you have room to expand? Or is mainly what we see here is that is going to be here?
- A: *AG Gelotti:* The size of this project, the liquefaction portion of the project, is primarily driven by the amount of LNG that can be delivered to LNG facility. In discussions with FortisBC, the additional capacity that can be added to their current system is the maximum capacity that will be able to be delivered to the liquefaction facility.
- Q: *Darrel Patterson:* So unless you twin the gas line, what we see is that what we will have?
- A: *AG Gelotti:* In the current process of FortisBC wanting to expand the capacity of the existing pipe, they are planning on twinning a portion of it.
- Q: *Judy Kirk:* So I just want to make sure I understood your answer, AG, you are saying that there is no additional capacity and that you don't think you will be expanding? The question is really, would you expand if you could?
- A: *AG Gelotti:* If we could expand the facility we would certainly look at opportunity to do that. Talking with FortisBC in relation to designing the site size and location, they have told us what the maximum amount of additional capacity that can be added to their system and that is what this facility is designed around. That is the limitation.

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- Q: *Paula Mendes*: There has been a lot of talk about the jobs that will come out of this plant being in town. My question is, with the hiring of Gord, who is local, have or are you are in the process of hiring more locals right now?
- A: *Byng Giraud*: The short answer is wherever we can, we are using local contractors. In terms of employees, right now we don't have a large need for employees in Squamish but our intent is to continue to hire. Once this thing is up and running, assuming we do get it up and running, it will offer jobs that are also administration, HR and payroll to the municipality. Over the next three years you will see our number here in Squamish slowly ramp up. Once we have an EA certificate and we can actually disturb the site, there will be more jobs in 2015.
- Q: *Kati Palethorpe*: I have a question regarding Gord. I am a bit confused. When we talked in the beginning – and this is about trust for me, you are asking us for our input, you want our input, we want yours. We want to understand. I don't know why there is this sneaking around. We talked to Gord ages ago and he said he was not affiliated with you guys. In the first meeting we had, he didn't introduce himself as being with you guys. I don't know why we need to sneak at this point. We want to know where you are standing, you know who I am now. I don't understand why there is a need for that. I was quite shocked. I was confused. Why do we need to do this sort of thing?
- A: *Byng Giraud*: In the first place, Gord's firm that he works for was doing work with us. The second thing is when I am in negotiation with somebody that I am going to hire, before they accept my offer, it is confidential. And I apologize that if it looks like that, because it wasn't the intention.
- C: *Judy Kirk*: The only other thing I would add is that I have facilitated every one of the meetings and Gord actually has introduced himself in every meeting that we have had.
- C: *Kati Palethorpe*: No, sorry, I have to object.
- C: *Gord Addison*: No, the first meeting, no.
- Q: *Judy Kirk*: Okay, so the first meeting you did not introduce yourself, I stand corrected. From then on you did?
- A: *Gord Addison*: Yes.
- C: *Kati Palethorpe*: Because in the first meeting he was introduced as friend of Byng's. And I don't have a problem with him being hired, he is a local after all.
- C: *Judy Kirk*: So from that meeting on, because yes, you are right I remember that.
- C: *Gord Addison*: Yes, and I had a problem saying that I work for Woodfibre Natural Gas when I am, in fact, not actually working for them or being paid by them. I am just doing my regular work with my regular company and one of the key rules of my company is you are not supposed to say who we work for. I wasn't being paid to be at the meetings, it was very clear that if I am going to meetings, it is on my own time. So to say I am being paid, or imply I was being paid to be at the meetings, is not correct.
- Q: *Tracey Saxby*: What about the Facebook posts and the communication that you have made on there?
- A: *Gord Addison*: I wasn't being paid for that.
- C: *Byng Giraud*: He started today.
- Q: *Steve Drinkwater*: There are lots of theories about what is causing climate change, but I think most people will agree that allowing more greenhouse gases (GHG) in the atmosphere is not necessarily a good thing. People are focused on CO₂, which is a big component. Most natural gas is made up of

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methane. Methane is 20 times worse as a GHG than CO₂. There are a lot of state-of-the-art systems out there that collect or recapture seepage of gas from gas facilities. Is this going to be incorporated and can we expect this sort of technology to be incorporated into the facility to absolutely minimize seepage and to capture as much as possible?

- A: *Alex Brigden:* Good question and a good point. I can assure you it is in our interest not to have leakage of methane because that is what we turn in to LNG and that is what we export and get paid for. What I can say at this stage is we are still selecting our technologies and the providers of the technologies we are considering have systems to prevent the leakage of methane. But we haven't selected final technologies; we are in the early stages of our engineering process.
- Q: *Tracey Saxby:* I have a question that comes back to transparency, I understand that Woodfibre LNG has already given money to the local mountain biking and trail society to help build the skills park. Can you confirm that?
- A: *Byng Giraud:* Yes, we have.
- Q: *Tracey Saxby:* Can you confirm or tell us what other community projects and organizations you have funded already or are in negotiations with?
- A: *Byng Giraud:* I am not going to talk about who we may sponsor in the future, I don't think that is appropriate. We have provided sponsorship monies to SORCA and to minor hockey. And people say 'oh, why didn't you go to the media, because that is usually why you do those types of things' but we didn't feel that was appropriate. We want to develop relationships with youth sport, health and education. We have to pick some areas where we want to be part of the community. We felt those were areas to go so we have talked to those organizations and made contributions to them. We really aren't interested in publicity, we are doing it because we want to be a part of the community.
- C: *Tracey Saxby:* So my comment is that this is essentially buying support within the community, without the community even knowing what the impacts or benefits of this project would be moving forward. I would like to strongly suggest Woodfibre LNG does not support any community groups or sports or youth groups of this nature until this project is allowed to go ahead.
- Q: *Jordy Sanberg:* From what I have read, a lot of the material you are using are made in China, why aren't they being made in Canada if you are trying to support local workers? Is this going to be a unionized project? And is it going to be under the jurisdiction of the ILWU again? The longshoremen?
- C: *Judy Kirk:* So the three questions were: will the materials – not just the storage but I assume the others too – be built in China? Will it be unionized? And, if so, under what jurisdiction?
- A: *Alex Brigden:* I am not expert in Canadian labour laws so I will let someone else answer on that one. With respect to the facility, we have stated it is our preference to have the facility built on a floating barge and that would be outside of Canada. The process facilities and technologies for those facilities does not exist in Canada. We have engaged two technology companies based out of U.S. and Germany. It is our intention that the floating part be built outside Canada. The onshore parts will be built here on Woodfibre site and create jobs here. Whether the jobs on-site will be unionized, I don't know.
- A: *Byng Giraud:* The formal succession, in terms of what which unions would be on-site, we don't know yet. Once our team makes the technology selection we will have a better understanding of

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the crafts that will be needed on site. The range of those crafts and trades will probably have a big part to do with what the labour strategy is. I am not sure if we will have ton of people on the actual loading side.

- Q: *Jordy Sanberg*: So you are talking about specialized jobs? Really the jobs that are going to be coming to the community of Squamish probably aren't going to be filled by members of the community of Squamish, but most likely from outside of the community?
- A: *Byng Giraud*: I don't really know, we do not know what the skill base of the community is yet. A lot of the jobs probably could be filled locally, but there will be some extremely specialized jobs that will have to look outside of the community for. There are may be guys that were working there before that have some of the skillsets we are looking for. We are hoping, given our proximity to bigger population centers, that we won't struggle to find people.
- C: *Judy Kirk*: So if I could, I am assuming that you would like to know when this labor strategy would be ready? So you said once the technology selection is made, but what order of magnitude would anticipate the timing?
- A: *Byng Giraud*: Alex can probably tell me when he will know about the specific technology, but once the technology is chosen and they start to design to project, we will know what crafts and trades are needed to run that technology. We will know that once we start our EA this summer.
- Q: *Judy Kirk*: So in a matter of months?
- A: *Byng Giraud*: Yes.
- Q: *Jordy Sanberg*: So with your technology selections, we have ports on the planet that are fully automated, that don't need any people to operate it at all, no people operating machinery, nothing. Are you planning to go that way? So that we have less jobs coming to the community? And when we are in building, do you plan to do what companies up north are doing and hiring a bunch of temporary foreign workers?
- A: *AG Gelotti*: Our intent is to have as much local content as possible. As Alex mentioned, there is a part of the project, design and construction that will not take place in Canada and is taking place elsewhere. Once those facilities are brought here, we will be advertising for local jobs to fill the need for skills and jobs to get this project built. Are there enough electricians and pipefitters in Squamish to do the work? I don't know yet. When we decide on design, we know we will need electricians, pipefitters, folks to deal with ships berthing, pilots – we know we will need management to run the company and secretarial, administrative assistants. We are going to need all of that. To the extent that it is available here, we will advertise here. Some of the technology with these facilities is very new to Canada. I can tell you that with the amount of demand in the industry for these types of skills sets, it will be difficult to fill all the jobs locally. We do intend to have a plan to train locals that can then fill these positions over time. This project is intended to be here at least 25 years.
- Q: *Jordy Sanberg*: This response from you, sounds exactly like the response that we were given from the mining company – that they were going to be putting out or looking for local workers, but really they didn't. Are we going to get any guarantees from you guys on this? Whether you will take local workers or go the foreign worker route as the initial starting process, and then phase-in a training program for locals. The initial plan still hires all of those temporary foreign workers.
- A: *AG Gelotti*: I can't speak to the mining industry and what they said. Will there be jobs associated with the Project where we will potentially have to bring in foreigners, somebody not in Canada?

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Yes. Let me ask you simple question on this, having worked in the LNG business for quite some time, I have a lot of colleagues that are Canadians working in LNG facilities that have the operational experience that could fill some of these positions. They aren't necessarily from Squamish or B.C., so obviously we would expect there will be a lot of Canadian interested in coming and working for project right here in Canada.

Q: *Sean*: I believe there is more than enough skills sets. I run an engineering company in Squamish, there is a good skillset here in Squamish. I don't believe that will be an issue, you shouldn't have trouble finding someone and I don't believe you will need temporary foreign workers. I have worked on lots of LNG plants, every gas plant and refinery in Canada and there is skillsets here which we ship around the world.

One question I have is, I've heard that there is a chance you would be looking at land on the BC Rail area for staging? Can you tell me a bit about that?

A: *Byng Giraud*: You mean for barging and that sort of thing?

Q: *Sean*: No. We have one of the buildings in the BC Rail area and we have concerns that you will take over that land because is where we do our manufacturing.

A: *Byng Giraud*: There is no plan for that. That is the first I've heard of that. The only discussions we have had with the with municipality are about two things, one is, during operations the regular employees coming back and forth, whether they should get on the water taxi in downtown, to spur activity, or use the Darrell Bay facility. The other conversation we have had is about the use of Darrell Bay going forward for any barging needs we have or any other uses – we should probably leave Darrell Bay open.

Q: *Judy Kirk*: So this piece of land that the gentleman is talking about is not part of plan?

A: *Byng Giraud*: No, it is not. I would be interested to know how that came up.

Q: *Cindy Burle*: This is the first of these meetings. I have environmental concerns. One of my biggest concerns, there is so supposedly no pollution going in to Howe Sound itself, which would affect marine life and mammals, but my concern is Howe Sound. I have talked to one of the fellows here that is involved with that. But I just wanted to say something official and I wanted to find out a bit more about what your plans are to ensure that it won't disrupt the salmon run and mammals that are coming in to the area.

A: *Reece Fowler*: This is partially a design question as well as an environment question. Given the stage of project and the number of decision that still yet to be made, obviously the aim and benefit of having the environmental consultant such as myself at such an early stage is that we can be speaking and sitting down with the engineers to go through the options that they have in terms of design. To provide guidance and advice on the types of technology that can help to avoid impacts to air, land, water and to mitigate for any issues that may arise. At the moment, the Project is in the early stages of design, and we are collecting a lot of background information about the area to get a good understanding of what animals, plants and habitat are there. It is that information that we will use to help inform the engineers for the design of the facility.

C: *Judy Kirk*: And I would assume Reece, if there were impacts, mitigation would occur?

A: *Reece Fowler*: I guess the mitigation, it depends on what the impact would be. If it is an impact to the land we would be looking at design opportunities to avoid the impact to start off. That is what

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we aim to do. As part of EA process, avoiding impacts is obviously the best option. Mitigation is the next option. An example is lighting strategies on-site. There could be potential light emissions from site during night, so one option is focusing the light strategies to avoid those impacts such as redirecting light to minimize visible light, planting vegetation in the area as a shield.

- Q: *Cindy Burle*: You are doing some remediation of site now which is in process. There are things that need to be cleaned up. Is it possible as an individual to actually see what is going on? And see how you folks are making it better? I'm not against the Project, but I have some reservations. I'd like to support this project but I would like to really know what is going on. I'd like to see how the site is now and how things are made better so if it does go forward I can be a proponent for it. From the people I have talked to here, it seems like it could be a good thing and if so, I'd like to be for it.
- Q: *Judy Kirk*: So Byng, can someone get on site and take a look at the remediation that is taking place?
- A: *Byng Giraud*: Right now we don't actually own the site. We've purchased the site for \$25 million. \$7 million was given to Western Forest Products to conduct the remediation. They were in a better position to do the remediation. They still own it and until they get a Certificate of Compliance from the Ministry of Environment, we have to have their permission to go on the site. That being said, we have had many groups out there and Western Forest Products has been very accommodating. If there is interest, particularly from groups that have something they want to learn about it, we will try to accommodate that. With weather getting better there may be opportunity to do it broadly in the community. So yes, we are doing things out there and in terms of opening it up for people I can speak with Rick and closer to the summer we can look at doing something like that.
- C: *Judy Kirk*: And I just want to clarify that you wouldn't want to do that type of thing one person at a time, that it would be a group type of thing.
- A: *Byng Giraud*: The local water taxi guys that we use, their vessel has capacity for 12.
- Q: *Sean*: You mentioned earlier that you were going to build the FPSO in China, so how will you meet local codes and standards. We are working on a project right now in Alberta where they shifted the EPC contractor from an Alberta company to a Korean company. And they have no idea what the Canadian codes and standards are. We have to work with them and it is becoming a disaster. Electrical fittings are not Canadian CSA approved. How will the codes be followed?
- Q: *Judy Kirk*: So before you answer I just want a bit of translation on the acronyms. Can you say what those are so everyone knows?
- A: *Sean*: FPSO is the Floating Production and Storage Operation and EPC is Engineering Procurement Construction contractor.
- A: *Alex Brigden*: The final location of where the floating facility is going to be constructed, we haven't decided yet. There are options. Probably the Far East but we haven't selected what country yet. With respect to codes and standards, we have to follow both provincial and federal codes and standards as well as regulatory processes. We are meeting with the regulators, the OGC, on a regulator basis to understand how the application of that goes.
- Q: *Judy Kirk*: And what is the OGC?
- A: *Alex Brigden*: The Oil & Gas Commission.
- C: *Sean*: There is a lot more to it than that.
- C: *Judy Kirk*: Okay, guys. I know you have some commercial interests, sir, and I would invite you to speak about them individually.

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- Q: *Tracey Saxby:* On page 9, you list that there are 600 jobs that will be created throughout the construction period, but in meetings throughout the past couple of weeks, this was clarified to be 300 jobs per year. Given that a lot of the component are going to be created overseas, how many of these jobs are actually local versus overseas jobs?
- A: *Byng Giraud:* It was originally 600 person years, 300 jobs for two years which is an estimate. That is local/domestic jobs. It doesn't included anything Alex is potentially talking about overseas.
- Q: *Tracey Saxby:* So how many jobs are going to be created overseas?
- A: *Alex Brigden:* We will construct the facility overseas in an already existing and dedicated building facility. That facility will already have the workers for the job. It is expect that overseas there would be up to 2,000 people working on the project.
- Q: *Allen:* I am confused because in the beginning you said this is manufactured in the United States or Europe, and just a few minutes ago you said now it will be in the Far East. Where will this be built?
- A: *Byng Giraud:* So to clarify, the technology selection is companies that are based in the United States and Germany. Those are the people with the technology; they are not the shipyard. The shipyard will probably be in the Far East.
- Q: *Judy Kirk:* The technology, meaning the liquefaction?
- A: *Alex Brigden:* The technology is patented technology which is owned by the companies based in U.S. and Germany. So we need them to design our plant and they provide some of the key equipment for the plant, but the construction of the plant will be in the Far East.
- Q: *Allen:* What does Far East mean?
- C: *Jordy Sanberg:* The cheapest place available.
- A: *Alex Brigden:* We haven't selected the construction yards, there will be several construction yards but we have not selected them yet.
- C: *Allen:* I have worked extensively in these places (manufacturing industry for cars) your loading stations and the ship too will be a complex thing, I think you are better served to have it built here.
- Q: *Nicole:* I just wanted to ask about air pollution and noise pollution. I live on the estuary and can see site from my house. This concerns me that it will smell and the property values around there. Will it be what Squamish was 20 years ago? Air quality, smell and noise.
- A: *Reece Fowler:* I'll touch on smell first. LNG facilities do not smell. You won't have those same characteristics of the former site. In terms of air emissions, right now because of the design, some decisions have not made yet about what types of machinery will be on site. A couple of the decision related to whether the site is driven by electricity or gas have not been made yet. Client preference is for electric drive, which has a lower emissions footprint. At the moment, BC Hydro is undertaking a feasibility study to identify if that is a possibility for the site. So study of emissions are still at early stage and don't know what they will be yet.
- Q: *Judy Kirk:* But no matter what you will be studying these emissions?
- A: *Reece Fowler:* Yes. Part of what we are doing right in terms of the air quality assessment is collecting a lot of background information so we can understand what sort of environment we have right now and then compare that with what will potentially be going on.
- Q: *Nicole:* Also, what about sound pollution and noise? Will it be going 24 hours a day?
- A: *Alex Brigden:* The intention is to run the plant 24/7 and there are technologies for reducing noise emissions. We will set a limit of noise once we complete the first stages of our studies, we will

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- comply with the regulations, and apply technologies so that that noise does not exceed those limits.
- C: *Judy Kirk*: I would add for everyone, that through the EA you will see results of noise studies that you can have a look at and see those levels and comment to the regulator – either the British Columbia Environmental Assessment Office or the Canadian Environmental Assessment Agency – about whether you think what they have planned is adequate. That will be in the public comment period. If anyone wants more information on that please do go to the provincial or federal regulators website. You will more information on what your other opportunities are to comment.
- Q: *Bill*: The selection of using gas for generating power versus electricity from BC Hydro, you said that is still not determined. Can you give me some magnitude as to what kind of energy consumption the project is looking at?
- A: *Alex Brigden*: We are currently undertaking a system impact study with BC Hydro and the study is looking at providing about 140 MW from the grid. So the first part of the study is to establish if that can be provided and the second is to see how the grid would interact with our facility.
- Q: *Bill*: I spent 32 years with BC Hydro and that is a fair chunk of electricity. And so the advantage, if I understand correctly, from the electricity option only is when you don't have to generate that electricity through gas-fired generation.
- A: *Alex Brigden*: We will not generate electricity on site. The option is direct drive for the refrigerant compressors. The decision we need to make is whether we use gas turbines or electric motors.
- C: *Bill*: But with the gas turbines comes the emissions, the NO_x, that goes along with burning of natural gas.
- A: *Alex Brigden*: There will be higher emissions if we select gas turbines.
- Q: *Bill*: The feed stock gas has some impurities that have to be removed and some of those are toxic. How do you plan to do that? I understand that the floating facility doesn't have the same potential for capturing emissions compared to a land-based facility.
- C: *Judy Kirk*: I think the question that people have asked is, and it is a very good question, so it is those impurities the stuff that makes natural gas smell, that needs to be taken out, what is done with that?
- A: *Alex Brigden*: The facilities that we would put on to a floating solution compared to those on a land facility are the same.
- Q: *Bill*: So there is no inherent advantage from one or the other?
- A: *Alex Brigden*: There are a number of different technologies related to how we can dispose those components we remove, and we haven't decided which one we would use yet. We have to work with Golder who are our environmental consultants and also to see the requirements of the regulator. Our intention is to be better than the requirement set by the regulators where we can be and we will be selecting our technologies based on that.
- Q: *Judy Kirk*: So you are not sure how you dispose of those impurities?
- A: *Alex Brigden*: We haven't selected the technologies, but we are sure of how we dispose of them.
- Q: *Paula Mendes*: I just have a question based on hydro and gas, in a perfect world, if everything worked out well and you could use hydro, would price come in as a factor for not using it? Considering that is the cleaner and safe option. If it came down to price, and nothing else, would you still choose hydro or would you choose gas?

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- A: *AG Gelotti:* Good question. When you are doing any project, economics is one of the key drivers and also you want to make sure that you doing the safest and most environmentally-friendly project and you are meeting all the regulations, standards and codes. What we will do is, we will look at meeting all the standards, requirements and codes associated with gas drive and electric drive. Will economics come into consideration in what technology you select? Yes. All part of any project.
- Q: *Judy Kirk:* But the question was a little different than that, the question was, if all things being equal and the only difference, or the one remaining difference, was cost, would you select gas or the other? If cost was the only difference?
- A: *AG Gelotti:* If we were meeting the environmental standards, regulations and codes and if the facility was going to be as safe and the same using either gas or electricity and it came down to a cost factor, then yes we would go with a lower cost figure.
- Q: *Paula Mendes:* As a resident of this community, I would hope that you would think about the residents of the community and choose the safest and cleanest technology, regardless of cost.
- A: *AG Gelotti:* Just to make it clear, we are not sacrificing safety or environment in that decision.
- C: *Paula Mendes:* I am not saying that you are sacrificing it, I am just saying that I hope you would choose the safest and the cleanest option.
- C: *Judy Kirk:* And Paula, what I would say is, and to everyone in the room, as I've mentioned in other meetings, there is an additional comment section in the back of the feedback form. The point you raised and the comment you made about what you hoped they would do in the event of the scenario you painted, that is a perfect place to put that comment. So if people have preference for electric drive you can put your comment there.
- C: *AG Gelotti:* It is my understanding, if all other things being equal and that is the only decision if we are not sacrificing anything else – and it is based purely on economics, we are going to go with the most economic choice.
- C: *Judy Kirk:* This is such an important point, I am going to insert myself here and it is this – that I think you have said, and Reece please step in, you are the scientist here, if you were to go with gas it would in fact have greater emissions? Correct? If there were greater emissions based on gas and you went with gas instead of electricity, you would go with gas with the higher emissions if there was a higher price? I just want to make sure that is clear for the record and for people.
- C: *AG Gelotti:* The regulatory body and all of the agencies within British Columbia and Canada will set the guidelines of what we have to follow. We are going through an EA process, we are doing all of the necessary baselines studies. We will go through the process, we are going to tell the agencies exactly the design we intend or plan to use. Will give them the study information, will work through the process and then they will tell us what is and isn't acceptable and we are going to stay within what they say the requirements are. Part of our decision and keeping the project economically competitive, we will choose the path that gives us the more competitive economics.
- Q: *Paula Mendes:* Regardless if that creates more emissions or not?
- A: *AG Gelotti:* If it meets all the guidelines, requirements of what the regulatory agencies are telling us we have to meet, it is within the code and law, everything that is stipulated we have to meet.

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- Q: *Cindy Burle*: I was just wondering on the topic about gas and electricity, if you have timeline about when these tests will be done? If you know when you will be deciding that, and will be it before the project goes forward or not?
- A: *Alex Brigden*: The studies with BC Hydro will be completed within the next six months and will be completed before we submit our EA application.
- C: *Sean*: Just a comment about this electricity versus gas power, if anybody thinks that kicking people out of homes and off of their farms and fertile valleys doesn't have any environmental impact they should think twice. So I disagree that using gas creates more emissions and electricity, if you look at it thermodynamically if you create electricity you have to use some type of machine, whether it is water going through a turbine or it is gas turbine engine. That engine then has to drive another machine and go through a whole bunch of stuff, it is less efficient than if you use the energy at the source. Much less involved, less losses than to generate it somewhere else. It is complete fallacy to say less emissions from hydro than there is from gas.
- Q: *Craig*: One of the things that I realize is the issue around quality, particularly environmental quality. As observer who is from resource industry, there is a global organization that is recognized for quality management and environmental management, International Organization for Standardization (ISO). ISO has become an accepted practice and methodology only recently in Canada perhaps because of its origins in Europe. ISO has two systems, ISO 9000 (quality management) and ISO 14000 (environmental management). It came down to the point where engineering firms that wanted to bid on projects had to demonstrate their qualifications to a ISO 9000 quality standard and by extension they frequently got involved in the ISO initial certification. My suggestion is, that because of the ISO standards, I am going to assume there will be an opportunity once built, to go through the ISO audit process for the facility and then certification and then annual or bi-annual audits. This is my expectation and what I have seen in other similar projects. I'm just trying to cast a broader opportunity for issue around quality management and environmental management for a built facility. This is just an observation.
- Q: *Judy Kirk*: So are you asking whether this organization would subject themselves to ISO?
- A: *Craig*: Yes, that is fair.
- A: *Alex Brigden*: Thank you for the question and explanation of what ISO is. We are looking for our operations against the ISO standard. It is a good standard to be recognized and measured against. It does provides sequenced audits and third party independent verification that you are following such a standard. I think it is a very good point that you raise, we are looking into it.
- C: *Craig*: Auditors do exist in Canada, the Canadian Standards Association is one, QMI is another one.
- Q: *Tracey Saxby*: I've talked about this with AG before, but I want this on record. On page 6, you state "given the small scale of this project it is anticipated that WLNG will not result in any new exploration or extraction activity". I am curious how you can claim this, given that any additional demand for natural gas is cumulative, so even though this is a small facility it is increasing demand and supply of conventional sources is nearly halved since 2000 and is continuing to decline. So this means you will be purchasing gas from fracked sources, correct?
- A: *AG Gelotti*: Looking at the forecast for gas production in Canada that the National Energy Board publishes, looking at that data and the total amount of consumption happening in Canada, which is roughly 8.6 billion cubic feet a day of natural gas. This project at its maximum consumption of 300

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million cubic million feet per day. So relatively speaking, this will be small quantity relative to the amount of natural gas production in Canada and the amount of gas that is being exported from Canada. With additional amount of gas that is being exported from Canada, there will be more and more gas available. The U.S., being a major importer of natural gas from Canada, are reducing the amount of their imports which means there is more and more gas available in Canada. So the comment that you made is putting in to perspective the total amount of natural gas that is available on the market. This is where we plant to get our natural gas. We are not developing any gas resources associated with the Woodfibre LNG Project. We will go in to the open market and plan to buy natural gas from companies selling in the open market. We also plan to enter into a gas transfer agreement with FortisBC so that they can then transfer that natural gas that we are buying in the market to our facility. I can't tell you where those molecules are coming from other than the point at where we are buying it off the pipeline system that FortisBC is tied into.

- C: *Allen:* Little while ago, about 2 weeks ago, in the Financial Post, there was a story about a deal with Russia and China about oil and gas contracts. It shows that Russia has over twice as much oil available to sell but can only sell actually 50% of it. In other words, the market is flushed with oil and gas, I don't know why you are so confident you will be able to sell it.
- C: *Judy Kirk:* Thank you, sir. I just want to thank everyone for coming out today and those who have come to several meetings. This is February 15th and the consultation period goes until February 28th, so if you would like to send a written submission, email or online submission I urge you to do so.

3. CLOSING REMARKS

- C: *Byng Giraud:* This is the end of about 20 hours of community consultation meetings. It is only the first round. This is very much at the beginning. We wanted to come out early and meet with you. This input will affect the decisions our team makes. When comment period is all finished, Judy's team will create a report. We will report back about what we have heard. There will be additional opportunities for comment in future. We will come back in June before we submit an EA application. We are looking for more opportunities to hear about your concerns. Hopefully by the end, we have heard the values and we will reflect the values of the community in our final application. This is an ongoing and long-term project. Thank you for your patience and input.

The record notes that the open house ended at 4:01 p.m.