

MEETING DETAILS	Woodfibre LNG Project – Community Consultation, February 2014 Squamish Small Group Meeting February 6, 2014, 6:00 p.m. – 8:00 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 Project Community Consultation held on February 6, 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	Alisa Wald Andrea Kittler Chris Green Chris Laundry Corien Speaker, CAO, District of Squamish Craig McConnell, Geoscience Analysis Technology Dan MacKellar Dave Crowther Jan Ulrich Jen Reilly Jody Gray Julia Jackky Karine Le Du Kate Mclvor Katheryn Mclvor Ken Tanner Kim Ebers Linda Kelly-Smith, VP, Climate Action Network Luisa Nitratto Maureen Mike Jones Nicole McRae Paul Kwasnycia Paul Russell Renee Kranz Spencer Fitscher Steve Edwards Yiely Ho
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 Calum McClure, Liquiline Reece Fowler, Golder Associates Gordon Addison, Innovative Research Dave Bennett, Director, External Relations, FortisBC Megan Harris, Capital Projects Consultation and Communications, BC Hydro

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AGENDA	<ol style="list-style-type: none"> 1. Welcome and Review Agenda 2. Discussion Guide 3. Closing Remarks
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KEY THEMES

- Some participants were concerned with the amount of fresh water the liquefaction process would require.
- Some participants wanted confirmation regarding whether Woodfibre LNG planned to meet or exceed environmental requirements, articulating that community acceptance and support of the project would be dependent on whether Woodfibre LNG went over and above the minimum regulatory requirements.
- Some participants were concerned that the Woodfibre LNG Project would negatively impact air quality and increase emissions in Squamish.
- Some participants were interested in more information about the jobs created by Woodfibre LNG and if they would be available to residents of Squamish.
- Some participants expressed a strong interest and preference for the use of hydroelectricity to power the Woodfibre LNG liquefaction process.
- Some participants were concerned that by supporting the Woodfibre LNG Project, it would mean they are in turn supporting fracking.

The record notes that the meeting was called to order at 6:09 pm.

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

1. WELCOME AND REVIEW OF AGENDA
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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

C: *Byng Giraud: We are going to walk through this Discussion Guide and Feedback Form, starting on page 2, with community consultation. To be clear, this round of consultation consists of eight meetings this week and next. It is important to point out that this our first round of consultation. This is not required as part of the Ministry of Environment or environmental assessment (EA) but self-directed. There will be future rounds of consultation. We will be doing additional rounds of consultation, and once the EA starts there will be public consultation as part of that process. We are very much beginning of process, we are out here to hear what you have to say about the preliminary things so you can influence some of the decisions we are going to make.*

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The Woodfibre LNG Project is a small-scale LNG plant, one-tenth size of the ones found in northern B.C. It is located on the old Woodfibre site and that site was chosen for a number of reasons – a gas pipeline passes through the site, BC Hydro has transmission lines, it is an existing historic deep water port, so we can bring ships in, and it is zoned industrial property. It is a brownfield site and we believe our environmental disturbance would be minimized. What is brownfield, what does that mean? It means that there was past use by another industry and someone else has disturbed the site.

Let's look to the second column on the page where we see some of the things going on, on the site, now. In terms of cleaning up the site, we purchased the site from Western Forest Products for \$25 million and are paying them \$7 million to remediate the site, which is a condition of sale. Currently, we are landfill capping, dredging along the shoreline to clean up the years of woodchips that were dumped. Alex and his team are looking now for the best technology and most appropriate design. We are in discussions with FortisBC and upstream suppliers about how to get gas to our site. The next thing that took place is the federal government gave us an export license – which means that they say there is enough gas in the Canadian system to sell gas off-shore. The last thing is initiating the EA process. Last Friday we received a letter from the Canadian Environmental Assessment Agency notifying us that we must go ahead with an EA and the Province has said the same.

C: *Judy Kirk:* Thank you Byng, let's go through page 4 and 5 then open for questions.

C: *Byng Giraud:* It is important to understand what is there at the site and why we think it is important as well the risks and challenges. That at the bottom of page 4 is a picture of the current site. That is what you see right there. It is covered in concrete. You can see the salmon bearing creek. Many things about the site you wouldn't be able to do today. So what we have done, in the process of purchasing the site, we felt that the current owners, WFP, were in a better situation to do the remediation because they know the site. We are paying WFP to remediate. Remediation of soils on the site, the landfills will be closed on site, and some will be capped, meaning there will be soil put on top and things planted. One of the landfills has asbestos so will be capped in a special way. One has groundwater issues so water at this point is running through and affecting Howe Sound, the water treatment plant on site is tending to that. The pulp mill on site has been there for a long time so lots of wood chips have been dumped off site at the shore. This created a big pile of muck and diluted the shore sea life. Since the fall, we have been doing dredging of the shoreline, bringing the muck on to the shore and putting on the landfill to dry. Hopefully this will help the shoreline. I should point out, remediating the site does not mean it will be a clean site. It will never be a clean site, it will always be polluted. While once remediated it can be used for industrial purposes, you would never be able to build residences or grow food there. It is a damaged site.

C: *Judy Kirk:* Let's take question or comment before we move to the key elements of the LNG project.

Q: *Craig McConnell:* Has WFP ever provided a financial bond for remediation of the site prior to insolvency?

A: *Byng Giraud:* I don't know exactly, through the years it has had a succession of owners, many who have gone out of business over that period of time. Not sure if you can trace back who is responsible for all of that activity.

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- Q: *Craig McConnell:* The second part of the question, it is reasonable to assume that WFP did not have the financial capability at the point of insolvency to do a proper remediation at the closing of the pulp mill?
- A: *Byng Giraud:* I can't speak to their financial condition but I do know that no significant remediation took place from its closing date in 2006 until now.
- Q: *Paul Kwasnycia:* Just wondering about the capacity, why or how was the size chosen? Why one-tenth of the size?
- C: *Judy Kirk:* Paul, thank you for your question, I am going to ask Byng to go through the projects key elements and then provide answers. .
- C: *Byng Giraud:* There are seven key elements of the Project. The picture is a mock-up of what we currently envision the facility to look like. There is a natural gas metering station; a natural gas pre-treatment facility, which removes the contaminants from the gas – things that are added to the gas by FortisBC for your safety that we don't need; a jetty; a liquefaction plant; permanently moored LNG storage system; a marine terminal and LNG transfer system, and supporting infrastructure. Lots of the facility will be built on land.
- C: *Judy Kirk:* So to Paul's question, why this size of plant?
- A: *AG Gelotti:* One of the key elements in deciding the site location and design is how much natural gas you can get to the site. This is what has been good about this site, in addition to its industrial past, the site has an existing natural gas pipeline that goes very close to site, has electric power available close to site and has access to deep water port. We look for those three characteristics and this site has all three. How big of a project can we actually build? That's when we sat down with FortisBC to see how much natural gas they could deliver to the site, looking at the existing and additional capacity could they create in the existing natural gas pipeline. When you take this in to consideration it works out to 2.1 million tonnes per year of LNG which is about 300 million standard cubic feet of natural gas per day. I'll let FortisBC add anything they want to about the pipeline.
- C: *David Bennett:* Woodfibre LNG came to us and asked what we could reasonably provide to them. We looked at the pipeline and what they were proposing to do and found that it could be reasonably done with the existing pipeline.
- Q: *Paul Kwasnycia:* Are you putting a new pipeline in from Port Coquitlam?
- A: *David Bennett:* No, we actually have an existing pipeline from Coquitlam through the Coquitlam watershed which is 12 inches. After the 12 inch diameter pipeline, there is a 10 inch diameter pipeline. What we are doing is twinning the smaller 10 inch pipeline, which about half way to Coquitlam and we are putting in some compressor stations. That set up what the amount of natural gas could be delivered to the site.
- C: *Judy Kirk:* Paul, an answer to your question, what led to the size of the project, AG what I am hearing is it was how much natural gas you could get?
- A: *AG Gelotti:* Yes.
- Q: *Luisa Nitratto:* Could somebody explain the basic pros and cons of the two different configurations – on-shore or land vs offshore or floating?
- A: *Alex Brigden:* We have stated that our preference is a floating facility and the reason why we prefer a floating facility is that the unit can be constructed in a shipyard that is purpose built for the

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construction of such units and because of that we can control the quality of the facility and do full testing of the facility and its safety before we bring it to the site.

Q: *Luisa Nitratto*: So it is a safety issue? The barge is safer?

A: *Alex Brigden*: For us, it is to have better control. If the facility were to be constructed on land, we would have to bring parts from many different places and the assembly would be done in stages. If it is built in a shipyard, we are able to build all in one way, with a single contractor responsible, that way we can ensure quality and ensure integrity of the testing.

Q: *Judy Kirk*: When do you think you will make that decision, where it will be built?

A: *Alex Brigden*: During the coming months, we need to establish with engineering studies what we want to do and that will form part of the EA process. In the EA process, we will state what method we will be using. We are looking to have this decided in next six to eight months.

Q: *Linda Kelly-Smith*: You mentioned the sewage treatment plant, how much water would you be using? In the operations of the whole plant?

A: *Alex Brigden*: There are some systems in the liquefaction process that require water for the cooling process or equipment, the technology we prefer is a closed-loop system. So once the water is in there, we will only need to take water for replacement. At the moment we are studying the available technologies and equipment. I can't give a number yet of how much water we would use without the technologies chosen but it will be clear in six to eight months.

Q: *Linda Kelly-Smith*: When you cool things you get extra heat, do you have any plans to use that extra heat?

A: *Alex Brigden*: There are technologies that use air cooling and water cooling, we need to select the right technology and this is part of the studies we are doing. To cool gas down there needs to be a heat exchange and that heat will go in to the atmosphere.

Q: *Linda Kelly-Smith*: Why not use that heat as energy?

A: *Alex Brigden*: Good point. Certain equipment, if we select it, has a waste-heat recovery unit. The waste heat is used within the plant for other processes. We take that into consideration and conserve energy in the plant. This is part of the design process. We will look at this.

Q: *Andrea Kittler*: If carbon dioxide will be produced as a waste product and will be disposed of according to environmental regulations, how will you follow these?

A: *Alex Brigden*: The limits for emissions are set by the regulator. We will select technology that will limit our emissions to what the regulator requires.

C: *Judy Kirk*: And if I could, the federal Canadian Environmental Assessment Agency and the provincial British Columbia Environmental Assessment Office will both be involved in EA and would be the regulators that Alex is talking about.

Q: *Karine De Lu*: Are you seeking to meet minimum environmental requirements or are you looking to go above and beyond?

A: *Byng Giraud*: We actually do not know the regulations yet, there are not set yet, so it is hard for us to know what we will be meeting and exceeding. But we are hoping to do as much as we can to minimize the environmental impacts. Reece can speak to this, but the objective is to find what our impacts would be and to minimize them.

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- A: *Reece Fowler:* What we want to do is try to avoid the impact. Having the environmental team on board at this early of a stage allows us to sit down with the engineers so they can implement designs and technology to minimize this. So if there are impacts, how can we mitigate these? There are other mechanisms as well.
- C: *Byng Giraud:* Part of the meeting today, what we want to hear, are discussions about regulations and equipment you can use, offsets and other methods to compensate – these discussions are happening right now.
- C: *Judy Kirk:* And other questions or comments?
- Q: *Kim Ebers:* With the regulations coming, how can we keep an eye on those?
- A: *Byng Giraud:* If any regulatory changes are made, there is public process. Right now they are thinking about changes. The Climate Action Secretariat and Ministry of Natural Gas Development and Ministry of Environment are in discussions and any regulatory changes will be made public.
- C: *Judy Kirk:* I am not involved in this technical side, but experience in other projects, if you go to the BC EAO website, that is the window in to other projects in the province. You can check with them about what they know about this project and where you should be providing your input about other projects and regulations.
- C: *Byng Giraud:* We usually jump over pages 6 and 7, the FAQs, as we will cover these at the end. Let's go to the second part of page 8 'Opportunities for Public Input'. The first part of that is consultation, some concern we have heard from people is "is this my one chance to make my voice heard?" No, the federal government has made the consultation, when they made the changes the EA last year, a part of the process. That was determined for us in December. We had to go through an early consultation process to find out whether we would have to be part of EA. We are doing this consultation right now in the early stages and will be required, as part of the EA, to do more. And before we actually submit the EA application and more decisions have been made, we will come back to the community to show, this is what we learned and these are the changes we made. Then the EA process itself will happen. There are several stops along the way before we can even apply. We are planning to submit our application sometime this summer.
- C: *Judy Kirk:* The only caveat I would anticipate: it is the federal and provincial regulators who determine what the process, steps and timing are. It is reasonable to anticipate it, but it is the regulators who will decide it.
- C: *Byng Giraud:* Below is a general timeline. We have done a Project Description of what we think we are going to. This is our concept before we get to the EA. Now we are doing baseline studies, what are the existing conditions of the site, wildlife, air – Reece can speak more to that.
- C: *Reece Fowler:* Right now we are collecting information about the plant, animal, habitat and surrounding area to get a picture of what is there now. And we doing historical reviews of environmental reports and data collected by the government, all so we can understand what may have been in the area and on site in the past.
- C: *Byng Giraud:* Then the government will set up Working Groups of First Nations, stakeholders, the regulators and us. This is how they will select the valued components. We will tell them what we heard from the community. When that is done, we will produce a document that will be part of our application – produce document to tell them what will actually have to be in EA. Then we build the application and that formally starts the EA process. Assuming that goes on schedule, we hope to

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receive that certificate in 2015, then begin construction with operations to start the first quarter of 2017.

- Q: *Craig McConnell:* Air shed modeling for emissions, it would be interesting to know what you will be using as a benchmark to interpret the cumulative impact or preexisting benchmark of the Sea-to-Sky highway's contribution, also the community of Squamish's contribution to the emissions, relative compared to the influence you will have. What tools are you using in the airshed study to better understand the air emissions, highway corridor and the District of Squamish?
- A: *Reece Fowler:* In terms of tools and modeling programs and analyses, because we are at such an early stage, we are still in these discussions with the regulators to see what they are expecting in terms of assessments and approaches and the models that would be required. We don't have a clear picture yet. But talking about the EA, there is a cumulative assessment for air quality, terrestrial quality and aquatics and everything else that is included in the EA. Because we are just about to start working group process we haven't had this confirmed by the regulators yet.
- Q: *Craig McConnell:* Will you have access to pre-existing data from Ministry of Environment?
- A: *Reece Fowler:* The approach always with air quality is that you want a good level of data in terms of longevity. Looking for at least two years of data, and there are monitoring information that collect that type of information in Howe Sound and we will be using that data moving forward.
- Q: *Craig McConnell:* As you know stations were constructed for the building of the Sea-to-Sky Highway, will you be using data from those?
- A: *Judy Kirk:* So Craig, if you and others are interested, and it sounds like you are, and we have heard a lot community interest about air quality in the six meetings we have had so far. If you are interested in some input in to the scope of the air quality study that the BCEAO will ask Woodfibre LNG to do.
- C: *Craig McConnell:* I will tell you what I am interested in, I'm interested in making sure that there is a fair process and that the existing benchmark is clear, because both the highway and the community are large contributors.
- C: *Judy Kirk:* Then I recommend two things – one is under the first question in the feedback form where you can see there are studies listed and room for comment, that you put that in there. But in addition my advice would be that you talk to the BC EAO so that they know what you think the scope should be.
- A: *Reece Fowler:* It is very important that the Province knows that type of feedback and information because that feeds in to the working groups, where there is a large representation from the public.
- Q: *Jan Ulrich:* From what I understand, liquefying natural gas is energy intensive and B.C. is improving its electricity. What kind of price does this kind of project get for its electricity as compared to consumer electricity prices?
- A: *Byng Giraud:* We are in discussions with BC Hydro about what sort of rate we will pay. It will not be the consumer rate. It will not be lower than the consumer rate.
- Q: *Karine Le Du:* Speaking about the requirement for additional power, is there any provisions for alternative energy sources on-site to lessen the burden on the structure and reliance on BC Hydro?
- A: *Byng Giraud:* There is significant green energy used in this area and there are creeks that feed in to it, but it is not what we are looking at right now because this is a 24-hour operation. This is all

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about what we are looking into right now. Looking into the alternative energy producers could provide some opportunities.

- Q: *Linda Kelly-Smith:* I was noticing that the operation is anticipated to begin in 2017. There are a lot of articles in the media about the rush to produce energy and to sell to Asia. Australia and United States are rushing in to this as well, everybody is trying to get in to this market. Is there a guarantee that there will even be a market when this project is complete, that someone else won't get there before you. How are you feeling about this?
- A: *AG Gelotti:* There are projects right now in the U.S., in Louisiana, in construction that are planning to come on stream before 2017. The timing – when you hear about projects wanting to get in to market as fast as possible – the period from now until 2018, the Asians markets will be short in LNG energy so there is a window of opportunity for us to capture that market. Those other projects are out trying to push their projects to meet that opportunity. Our advantage, compared to the projects in the north, is that they are much larger. Our project is much smaller and we feel there is certainly adequate room in the market in the timeframe that they are all trying to get in to and beyond. It is more about basic economics. When developing a project and investing capital dollars, spending money and not making money, the incentive is to start producing the product as early as possible to get the cash flow back.
- Q: *Nicole McRae:* Just to follow up, storage of the product and the market base around the world. A lot of storage of the product in Europe is underground. Europe has a huge supply of LNG. What if they release it when we want to, flooding the market – they are hoarding the gas.
- A: *AG Gelotti:* I will keep it short and concise. In the U.S., for instance, most of the natural gas, before the development of new gas sources in the northeast, but majority of gas is from the Gulf Coast and requires large pipeline to deliver market in the northeast. What has happened over time is that demand in northeast exceeds pipeline capacity to move from that market. What has been done, reservoirs that had gas years ago but don't now, natural gas is being stored in the summer so it can be used in the winter peak time. It is all about demand. The storage is going up and down. And in the U.S. the Energy Department reports what the storage of the natural gas is. The same thing happens in Europe. The pipelines are the limiting factor. To make sure you have enough, you put them in storage. In B.C. you hear about LNG peaking facility. To your point, there is not enough storage in Europe to last long. It has to be replenished. Storing of the natural gas is done throughout the year to ensure amounts during peak times.
- C: *Byng Giraud:* So, whenever we are talking about the EA and an industrial project we talk about impacts on wildlife but there is also the good stuff – the project benefits. Page 9 is what we think we can bring to the community. The discussion here is about jobs and community. When larger companies comes to a community they can play a role that perhaps smaller businesses cannot. There are things we were interested in hearing from the community about what role we can play – with charities and organizations, how can we be a part? The environment: the remediating of the site, rehabilitating the creek, or other priorities of environmental interest that aren't related to our site. Issues of economic growth: these facilities have significant multipliers, spinoff jobs, water taxi, bringing food to ships when they are coming, servicing the ships, service and supplies to site.

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Things we think we can bring to the community. Things that are important to you, we want to hear about those things. How we can become a member of the community?

- C: *Judy Kirk*: Byng, let's move along to page 10.
- C: *Byng Giraud*: One of the things we like to do, we should bring topics to consultation about the Project to help prompt conversation, to make you think of other things you want to talk about. The possible assessment studies in an EA. You might say "I think you missed something", or "you should look more at this" or "less at this". We heard the other night interest about what type of acoustic impact will there be from the facility. We have heard a lot about access to the back of the site, trails and biking trails. What does the community think about this, how would one access the site, would we build road access to the site or a jetty? You may be interested in this or it will prompt you to think of other things – we want to hear about those things.
- Q: *Paul Kwasnycia*: Page 5, this picture of the site. The existing Woodfibre site, you are saying that is what the site will look like?
- A: *Byng Giraud*: This is the preliminary rendering of what we would like the site to look like.
- Q: *Paul Kwasnycia*: Job creation, you say 100 jobs, 300 construction jobs, but this is not going to be built local.
- A: *Byng Giraud*: You couldn't build this local. I get your sense. We understand the shipyards in B.C. are not capable to build this.
- A: *Alex Brigden*: For a floating facility, the skill set and experience is not available in the shipyards here in B.C. and the size of the dry dock is not big enough for this size of installation. We will construct these facilities outside of B.C. We haven't decided where, but the installation experience for this type of construction is in the Far East: Korea, Singapore and China.
- Q: *Paul Kwasnycia*: Of the 600 jobs throughout construction, does this tie-in to the stuff going overseas?
- A: *Alex Brigden*: No, those are local. There is still work that has to be undertaken on site. Administration work, technical work, jetty to be build, upgrades to the BC Hydro system, the FortisBC pipeline expansion.
- C: *Paul Kwasnycia*: Looks like the bulk of this will be built overseas and only some here.
- C: *Alex Brigden*: The floating and liquefaction facilities will be built overseas, but a large portion will still be built here.
- Q: *Linda Kelly-Smith*: I notice that the full times jobs are for 25 years, is that because B.C. will have run out of natural gas if we continue to build as many pipelines?
- A: *Byng Giraud*: It is 25 years simply because the license for export that the federal government has given is for 25 years. The facility will likely last longer, but the license is only for 25 years.
- Q: *Linda Kelly-Smith*: What about the supply? How long do you believe the supply of natural gas will last?
- A: *David Bennett*: With the latest numbers for gas supply in B.C. that I have seen, in British Columbia we have 150 years of gas supply. There is ample gas supply in the province.

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- Q: *Chris:* I'm sure you guys would probably know this, if you know how much gas you will be receiving from the pipeline, at today's rate what would be your annual gross revenue?
- A: *AG Gelotti:* No, and that is something we do not know at this point and cannot comment on it.
- Q: *Chris:* So you know how much gas is going to be delivered to the site and you know what today's market prices are, so why can you not tell me what your revenue would be?
- A: *AG Gelotti:* As Alex mentioned, we are still in early stages of the front end engineering and design, we don't know what the actual total cost of the facilities is going to be, we just have a rough estimate. We are still running models on the cost of running ships of LNG to the markets. We haven't specifically identified which markets or buyer's markets we will be selling to either, whether Japan, Korea, Taiwan, China, Singapore. There are a lot of variables at this point that will determine what the ultimate total cost would be.
- Q: *Chris:* Well we could see that obviously because you are sitting here it will be quite profitable? Would that be a fair assumption to make?
- A: *AG Gelotti:* I would say for a margin and for the potential to make an acceptable rate of return, and to take on the associated risks of building this type of facility, operating it and the risks of delivering the product to market – that rate of return it will have to be attractive enough to make the investment. And this is all part of the process that we are in now. When we look at it from this standpoint, it looks like a good investment. Moving further with this whole process and find out more from the EA, what else we may or may not have to do in terms of meeting those requirements, that will impact the overall economics.
- Q: *Chris:* The second part of this is going to be quite blunt, but it does in this document state that you are an Asian company, and to me it kind of feels like an Asian company wholesaling precious B.C. natural gas for vast profits to an Asian market. One has to pose the question to you, what is in it for us? One hundred jobs doesn't seem like an enormous return considering the scope and magnitude of investment. People sense there is this rush to exploit our natural resources at any cost, but what is in it for us? I am wondering if you guys are sensitive to that sentiment. That seems to be a common thread throughout our community.
- A: *Byng Giraud:* I think this is part of a broader philosophical discussion.
- C: *Chris:* I do not think it is unfair to ask it.
- A: *Byng Giraud:* It is more of a broader philosophical discussion of what do you want Canada to do as a country with the population we have and resources, should we keep them or export them? And if you are going to export them, is there sufficient capital in Canada or should we attract foreign capital? I don't think it makes a difference if it is an Asian or European company investing in Canada. Many companies in Canada export. I would argue this is a step, should we be doing more here? This is a broader discussion for society and not something that this company, particularly given its size, can solve. There is an opportunity for us to make a return on investment. Will we bring benefits to community? We've discussed this. There are also benefits to the entire food chain, not just us alone. There are other parts to the energy sector in Canada. It is a philosophical position, do you think we should export our natural resources, and if you think we shouldn't, why?
- Q: *Chris:* If I had the first question answered, we want to know where the money will go. It does matter if it is an American or Asian or European company. This is our land, we own this stuff collectively, and I think we should all be paid or compensated if it is going to be extracted.
- C: *Judy Kirk:* AG, I am going to let you answer but I just want to say something first, Chris, the BC EAO usually has a requirement for a socio-economic study. I think, Reece, you have talked about it a bit,

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- but the comments you are making are very relevant to that. The comments you are making are captured and it is important for you to be a part of that process as well.
- A: *AG Gelotti*: Your point is certainly something that the Canadian and British Columbian governments recognize, there is this value creation opportunity of exporting natural gas out of Canada. In the news, the government is thinking of applying an LNG tax on the export of LNG from Canada. A lot of discussion going on between the government and the industry on what is a fair tax. Industry trying to say what type of tax would be fair taking in the consideration the risks companies take to sell LNG. What type of tax would be reasonable for the company to still then make the investment? I feel the Government of Canada recognizes exactly what you are saying. There is value out there that the government is making sure they get a portion of.
- Q: *Yiely Ho*: There is quite a lot of discussion about consulting First Nations groups and public. First off, which First Nations groups are you consulting with and secondly, how would you determine the success of the consultation? What are your determinants for it actually being a successful process?
- A: *Byng Giraud*: The particular site itself is within the traditional territories of the Squamish First Nations people, it has been known as ‘Skwxwú7mesh Úxwumixw’, it was a village site before the 100 years of industrial development. We have entered in to discussion with Squamish First Nations, it wouldn’t be appropriate for me to get in to the details discussed in those discussions, but let me say they have begun. In terms of what other First Nations should, or may need to be, consulted, the EA will provide a scope of the First Nations we must consult with. We haven’t received that document yet. I anticipate we will also have to discuss this with the First Nations groups as we get out to the mouth of Howe Sound. Beyond that, we get in to the main traffic and we get in to different issues. First Nations have specific rights under the constitution and we are aware of those and respectful of them – so that process will be undertaken. How will we define our success? They will define our success.
- C: *Reece Fowler*: Information in the Project Description gives a little bit of information related to the sort of consultation with First Nations approach we will be taking part in and the types of discussion that have been under taken so far. The Project Description is available on the BC EAO website. You can get an idea at the sort of things this group has been undertaking so far.
- C: *David Bennett*: In addition, FortisBC is consulting with the Coquitlam First Nations regarding the pipeline extension.
- Q: *Karine Le Du*: Do you have a particular interest in doing best practice? We could do best practice, the program ‘Envision’, has categories in which you can create your project to meet certain criteria or standards that are multi-faceted – all of these factors. To what extent are you willing to adopt this? I would encourage you to check out ‘Envision’. I know it is for infrastructure projects, it is a building rating system – the LEED equivalent of infrastructure project. This is an interest of mine.
- Q: *Craig McConnell*: Are industrial sites and projects eligible for this type of building rating system?
- A: *Karine Le Du*: Yes, this system includes transportation, infrastructure, energy projects – the LNG project hits all the key factors.
- C: *Byng Giraud*: I would like to know more about it. It wouldn’t be inconsistent with our corporate strategy. I’d like to talk to you more about it after.

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- Q: *Paul Kwasnycia*: You talked about having a very careful review, what is the process of examining the creation of a road from Squamish to Port Mellon. Right now there is a logging road connecting Port Mellon to Woodfibre, and six kilometres remaining to Squamish. What process can we go through so that the Province, Squamish and the company could jointly build that road from Woodfibre to Squamish?
- A: *Byng Giraud*: This is something we have considered, which is why this discussion is good. Certainly we have thought about it, I would have to follow up. Woodfibre LNG wouldn't need a road but this is something to consider.
- Q: *Paul Kwasnycia*: But you will be bringing in heavy equipment?
- Q: *Judy Kirk*: Byng asked what you think could benefit the community, Paul do you think this could benefit the community?
- A: *Paul Kwasnycia*: Yes.
- Q: *Dan MacKellar*: Is the current plan to use current water taxi to bring people back and forth? How would workers get to site?
- A: *Byng Giraud*: It is early for that, but we have talked to the municipality about the options. For those of you who don't know, access to site is from Darrell Bay, in addition to rail. During construction we would be required probably to use that, there are not a lot of barge facilities on site that would be available. Also in preliminary discussions with community, that there is an interest once we are up in running and in operations, that there may be a preference to move our people through downtown, that would create a bit of activity in downtown. So depending on the shift, 20 or 30 people would come through town, park, add a little activity. We are open to that. What water taxi service used, once up in running, would be contracted out to another vessel. It is not core to the business but if it was advantageous to community to be located in a specific spot I think we would be pretty open to it.
- Q: *Maureen*: I know the construction stage will rely on a lot of people coming from outside of the area to be a part of construction?
- A: *Byng Giraud*: Given the amount of people and the proximity to Vancouver, we are hoping the advantage of the site is perhaps we wouldn't have look for workers elsewhere as much. Certainly, there are lots of trades. Our preference and in our economic interest would be local workers.
- Q: *Maureen*: Say the work force isn't here. Do you have plan for housing workers?
- A: *Byng Giraud*: Given the number, we don't think we will have to build a camp, they will stay in town.
- Q: *Chris*: On page 7, question 8, about whether you will be using BC Hydro electricity or burning natural gas to power the project, what is the timeframe for you guys getting an answer on that? And if you plan to burn natural gas what percentage of the natural gas coming through the pipeline would you be burning?
- A: *Alex Brigden*: Currently we are still in the system impact studies with BC Hydro to see if they can supply to us the full 140 MW of power we need. These studies will be going on for the next few months and will identify what equipment upgrades would be necessary to the system. Our preference is to use electric drive for the refrigerant. If alternative technology used, it would be for the two natural gas turbines. It would be about 9% of the natural gas received to power the turbines.

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Q: *Nicole McRae*: Have you considered wind or tidal energy sources?

A: *Alex Brigden*: For the generation of 140 MW?

Q: *Nicole McRae*: For any of the facilities' needs?

A: *Alex Brigden*: We would prefer to take from BC Hydro.

C: *Byng Giraud*: There are a list of suppliers around, if they are feeding in to the power grid, it would not be firm. The Project is a 24-hour operation facility that needs consistent power at all times. There are things you can do with independent and green energy power, we can be creative, but it is not something we have looked at. If someone were to come to us, we would be open to that.

Q: *Nicole McRae*: What other substances is the pipeline able to transport, or authorized to transport?

A: *David Bennett*: The pipeline is designed to transport natural gas, there hasn't been any successful transfer of anything else. Vancouver Island relies on that pipeline for their natural gas. There have been some studies about adding hydrogen into the natural gas to green it up and we do transport biogas as well. If you live on Squamish you can be a biogas subscriber. It is produced from organic sources.

Q: *Jan Ulrich*: I heard you would be doing air quality study, can you list the things that would cause emissions and impact the air quality?

A: *Reece Fowler*: In part, it depends what mechanism is going to be taken forward for the powering of the site. The preference is electricity from BC Hydro. Obviously there would be a difference between electric or gas turbine in terms of emissions.

A: *Alex Brigden*: There are some substances that we have to remove from the gas supply from FortisBC because they cannot be liquefied, for example: CO₂, water vapour and the odour FortisBC adds to the gas. Those substances have to be removed. Different technology is available for this process such as incineration. We are studying the technologies as well as the limits imposed on us by the regulator. Because at this point we do not know the limits set by the regulator we can't know the technologies yet.

Q: *Dan MacKellar*: What is the purity of the gas that is coming in, how much CO₂, mercaptans and water will you be removing?

A: *Alex Brigden*: The gas that is supplied, the range of composition that is allowed in the FortisBC pipeline.

A: *David Bennett*: It is same gas that is used in homes. They can't use some of the impurities, including methane and ethane is another gas in there, butane and a bunch of impurities. It is a long list.

Q: *Dan MacKellar*: We can expect 3% of that mass to be removed from the gas?

A: *David Bennett*: I don't think 3% because I believe they can still use the ethane.

A: *Alex Brigden*: Some of the hydro carbons we are able to include in the gas and that is geared to the LNG required in the market. That is also relative to the type of LNG required for the specific market. It is a relatively small quantity of the overall amount of gas and it will be clearly defined in our EA submission.

C: *Jen Reilly*: Thank you for having the meetings like this, it is in your best interest and the community appreciates it. I have lived around B.C. and Squamish is not your average community, it is a young,

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fit community. I think at putting something like the LNG facility here allows the opportunity for you to be a leader. I'm sure there are regulators and certain standards and you say you are waiting for the regulators to set these standards, but that is a weak response. And First Nations' constitutional rights? You can go beyond that and set your own standards. This is such a great place. We have a difficult time, I speak for myself, difficult time separating LNG from fracking. When I am looking at an LNG plant, the jobs, economic impacts and access to recreational amenities, the B.C. government talks about it as bridging tool, so sometimes I go back and forth. Am I opposed to non-traditional gas extraction or am I opposed to an LNG facility in Squamish? It is really hard to separate those two things. If you want support for this project, you need to show that you're doing everything you can to reduce the impacts of this facility. Reduce amount of field losses, showing you are world class in terms of reducing air emission – if you can't do that, this is not a community that will be behind you.

C: *Byng Giraud*: That is a great comment. We've got a lot of work to do. And this is the early stages and maybe some of our answers aren't as strong as they could be. To your First Nations comment, I have done a lot of work in First Nations and it isn't fair for me to discuss those conversations here because they are not present. We are not just doing what is required. The company has the philosophy "if it's good for country, good for community and good for company". If it doesn't satisfy those three things usually will not invest. We are going to be progressive on the First Nations work. But you are right, it is easy for us to sit up here and say these words, but we have our senior team here, the ones who are going to be making the decisions...

C: *Jen Reilly*: ... and I appreciate that.

C: *Byng Giraud*: We need to hear that. And if we want this project to go ahead we can't just pay lip service. Much like you I have lived all over B.C. and industrial projects in this province do not happen without going through these processes and actually listening to people. And I am hoping over the next six months we can prove that to you. I hope that with this session shows this sincerity. We haven't figured this thing out yet, but please tell us what you think is important to you and to the community. And if it things like that, as you mentioned, we need to hear that. We will put in the genuine effort.

Q: *Paul Kwasnycia*: I am wondering if you can make a statement about what success the company has previously had about meeting and dealing with environmental issues.

C: *Judy Kirk*: So to clarify, what is this company's record with environmental success?

A: *Byng Giraud*: The company (RGE) operates in a lot of jurisdictions, with a difference in social license throughout all of the different locations. For example, we talked about scholarships one day, and the difference between what scholarships mean in developing countries. The company has the philosophy that we try to follow at all times, it may not translate well in to English, "if it's good for country, good for community and good for company". That's another way of saying triple-bottom line. If it doesn't satisfy those three things, typically the company will not invest. This company does these things for the long-term. When I did my research about these guys, when they approached me and I was going to be their first employee in North America, I knew they were looking at the long-term. This is a serious venture. This isn't a company that comes, buys, builds and leaves. If you'd like, Google the company, do some research and come back and ask us any more questions you may have. I guess that's all I can say.

Q: *Judy Kirk*: Have you done business in Canada before?

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- A: *Byng Giraud*: No, this is their first venture in North America. The company has operated in Brazil, a high-end cellulose facility. That is a publicly traded company called Sateri.
- C: *Craig McConnell*: In response to Jen's comment, first of all I am also here on behalf of, as a board member, for *Community Futures Howe Sound*, which is a non-profit society, and aside from that I do work in the industry as well so I do have a couple of extra levels of knowledge from the industry. I get the feeling that there is a lot of mixed philosophical idealism on the project and if it brings you any comfort in knowing that natural gas globally is seen as a green energy product. It is the transition fuel that is going to take us to the next big thing. And it has a very strong support from not just environmental advocates, but people who in the industry who know there are problems with other hydro carbon production. If it helps you in anyway, our contribution of green technology in the form of this project is offsetting coal burning industrial facilities in Asia. Connect the dots for the fact that China and places related to China rely almost exclusively on coal, what is their alternative? In essence, North America is washed in natural gas and Canada is an exporter of natural resources. This is an exceptional opportunity that is not being offered to every community in North America. We are unique because this project represents a niche, its size allows us to get to market first, and whoever gets to market first gets the money. I am involved in the industry and am an environmentalist.
- Q: *Judy Kirk*: Craig, you're not involved in any of this are you?
- A: *Craig McConnell*: I'm involved in the industry.
- Q: *Judy Kirk*: But not in this operation?
- A: *Craig McConnell*: No.
- C: *Judy Kirk*: Oh okay, I just wanted to make sure.
- C: *Craig McConnell*: I am also an environmentalist and I know that opportunity doesn't always knock on your door every year.
- Q: *Renee Kranz*: I am wondering the operation, at end of 25 years, what sort of responsibility do you have to the site and to the community to clean it up? If you were to go bankrupt would you still be held to the same responsibilities? What happens in that scenario?
- A: *Byng Giraud*: I can speak to the broader issue. Most industrial projects in B.C. with natural resources there are bonding requirements and the bonding requirements for this project haven't been created yet. When we go through the EA process, it is usually through that, and after that, tell us what our bonds should be, or they will tell you what your insurance has to be. So in this case, we probably have to do both. After 25 years it doesn't necessarily shut down, we only have 25 years because that is the term or lifetime of the license from the National Energy Board but the project subject to economics and those things, it could last longer.
- C: *Judy Kirk*: If there was a decommissioning required, if you decided you were done with this and wanted to walk away, what is your obligation? I think that is what you were getting at Renee?
- C: *Renee Kranz*: Exactly.
- A: *Byng Giraud*: If the company was growing, which we hope it to be, we would have responsibility and obligation to decommission, remediate and take down the site like any other industrial site.
- C: *Reece Fowler*: There is a component in the EA that we have to address, in terms it is a three-part situation and we have to address the effects of construction, operation and decommission of the environment as part of the EA, so looking at what happens during decommission.

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- C: *Judy Kirk:* So Renee, to be really clear so that everybody understands this, one of the conditions of the EA certification if it were provided is that the decommissioning plan is acceptable. And what Byng has just said is that they don't know what the bonding requirements are just yet.
- C: *Alex Brigden:* I would like to add something that I didn't discuss before, about the benefits of a floating facility, it is easier to decommission a floating facility.
- Q: *Linda Kelly-Smith:* I totally disagree with Craig, I do not think natural gas is green or natural because it comes from fracking and fracking is known to use ground water – 16 million gallons of fresh water is used with each frack. Lots of information about why fracking is not a green source of energy. Yes, once it gets in to the pipe, maybe from then on you can call it green?
- C: *Craig McConnell:* Do you wear gold or silver jewelry?
- C: *Judy Kirk:* Hang on, okay, Craig and Linda, I am not going to allow crossfire, if you will. You can run for office and be MLAs if you want. I'm just kidding. But please, continue, Linda. Craig, do not interrupt.
- Q: *Linda Kelly-Smith:* I don't doubt the integrity of the people at this table and I have every confidence you can build be a nice, safe facility to the best of standards at the site, but I see that as a very small part of a much bigger picture that we as a province, not just members of the community, have to look at – to deal with the issues around fracking and the other part of that is the wholesale of our natural resources to fund millionaires in Singapore. If you sense a negative response from us, it isn't as much about Woodfibre LNG, but that there is a big picture we need to look at. And by supporting you we risk saying the rest is okay and it is not.
- C: *Judy Kirk:* I appreciate that comment and I think that it is a fair comment and we should just let it stand.
- A: *Byng Giraud:* If you look at the FAQ we did try and anticipate some questions, look at question 4. We aren't running away from this. We understand that. We are not involved in that per se, we understand people may say from a philosophical perspective that we are enabling these things. I think it speaks to our approach, if you look at these, these are questions that a lot of companies wouldn't dare put it in there publications. We want to address these questions. Have a look at the questions we have posted, if you have additional questions. We are not involved in it, but we understand how we are somehow part of that process. Have a look at our FAQ and see the things we are trying to address.
- C: *David Bennett:* Can I just step in from FortisBC's perspective? We get this a lot when we are out talking to people. If there are specific issues with the industry here in B.C. that you are aware of, the gas we get comes from B.C., it is regulated here in B.C., the regulator can make rules about how the extraction process happens, so I get a lot of questions about things and then when we get in to it, we are talking about somewhere in the north east of America. So that is something to keep in mind that in B.C., we control this resource ourselves and I know a lot of people are upset about fracking because they have seen things, but if you go up to north eastern B.C. and you talk to the people there, you don't hear the same concerns. And if you do have things you specifically know about are happening in B.C., we would like to be made aware of these. Please let us know.
- C: *Linda Kelly-Smith:* Today in Fort Nelson, First Nations are bringing their concerns to the table about fracking on their territory that they had not given their permission to.
- C: *Judy Kirk:* And the fact is, our firm has done a lot of work in the north east and there is a raging debate within the region.

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- Q: *Nicole McRae*: If you would, consider setting up a restaurant and selling the best food that you could, and you are going to go out there and get the best vegetables and the best meat, etc., you are going to buy organic. And we are happy to ship organic LNG, but not fracked. This is my metaphor. And if you could put a stamp on it that was an organic sticker that said you are selling organic LNG, then sign me up.
- C: *Judy Kirk*: That is so interesting. Great metaphor.
- C: *David Bennett*: So you are all going to sign up for bio gas?
- Q: *Judy Kirk*: I would like to ask if there are any final questions, we are out of time.
- Q: *Nicole McRae*: The navigation of the ships, and the sailing and the buffer zone. I was just looking at how often, once a week, it is that we have a lot of people who sail and kayak and it is a huge recreational area.
- A: *Alex Brigden*: There is a process that is regulated by Transport Canada and is called the TERMPOL process, which we have to enter in to. That is a series of studies on the shipping routes and the interactions with other vessels including small pleasure craft. Haven't started that study yet but that will indicate any type of restriction or regulation that will be imposed by transport Canada and we will follow that.
- C: *Nicole McRae*: Or surpass. Organic, come-on!

3. CLOSING REMARKS

- C: *Judy Kirk*: Okay, I want to thank you very much for attending, please do note on the inside cover that on the Wednesday, February 12th, there will be a meeting in Britannia and an open house on Saturday, February 15th. For those of you comfortable with online materials, the best way to fill out the feedback form is online. If you are not, this is why we have the print version. Again, thank you very much.

The record notes that the meeting ended at 8:04.