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**July 29, 2016**

**Attn:  
Nova Scotia Environment, Climate Change Unit  
1903 Barrington Street  
2nd Floor, Suite 2085, Halifax, NS B3J 2P8  
PO Box 442**

**Re: LNG Proposed Greenhouse Gas Standard – Comments and Feedback**

To whom it may concern,

The Ecology Action Centre (EAC) welcomes the opportunity to provide comment and feedback regarding the *Liquefied Natural Gas Proposal Greenhouse Gas Standard*, as released in June 2016. The EAC also acknowledges and is grateful for the meeting with Nova Scotia Environment that took place on July 21, 2016 on this topic.

The EAC feels that it is critical to have meaningful, broad public consultation on projects, regulations and matters related to environment and climate change – both within and without the Environmental Assessment processes. We see this public comment and feedback period for the proposed regulations as a meaningful step in this direction.

The EAC presents the following document as our written submission to this comment and review process. For clarity, the EAC also intends to make this document available to our membership and the public.

Please feel free to contact me directly should you require any further information, documentation on this issue.

Thank you for your time and consideration,



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## **High-level comments and recommendations**

At the time of this review, there are four major LNG projects being proposed in Nova Scotia. These four projects account for a total of approximately 31.75 Mt (million tonnes) of LNG produced and exported in Nova Scotia by 2020. This information is highlighted on the Nova Scotia Energy department webpage found here: <http://energy.novascotia.ca/oil-and-gas/nova-scotias-lng-opportunity>

The *Liquefied Natural Gas Proposed Greenhouse Gas Standard (Proposed Standards)* outlines a number of mitigating and regulatory efforts to address the climate impacts of proposed LNG projects. As part of these Proposed Standards, a GHG benchmark of 0.24 tonnes CO<sub>2</sub>e per tonne LNG produced and a compliance penalty of \$25/tonne CO<sub>2</sub>e are proposed.

Using the proposed benchmark, the four proposed LNG projects in Nova Scotia would contribute to provincial greenhouse gas emissions by *at least* an additional **7.62 Mt of CO<sub>2</sub>e per year by 2020 from on-site LNG operations alone**. The EAC finds this to be incompatible with current and projected future GHG emissions reductions goals.

Nova Scotia's current GHG emission mitigation commitment is to reduce emissions by 10% below 1990 levels (19.1 Mt) by 2020 and to reduce emissions by between 35% and 45% below 1990 levels by 2030. This puts Nova Scotia's obligations at approximately 17.2 Mt by 2020 and as little as 10.5 Mt by 2030.

In addition to these obligations, Nova Scotia currently boasts about being on-track to meet a target of 15 Mt by 2020. This achievement is made possible by the hard work of Nova Scotian communities, businesses and government in cutting emissions through energy efficiency, renewable energy development and work with our regional partners.

The EAC is concerned that the current regulation and GHG benchmark in the Proposed Standards do not go nearly far enough, and set the stage for the possibility of **LNG projects accounting for as much as 50% of total provincial GHG emissions allowances by 2020, and as much as 75% of total provincial GHG emissions allowances by 2030**. The EAC feels this puts undue pressures on existing sectors in the Nova Scotian economy, and compromises the great work that Nova Scotia has done, thus far, in being a national and international leader on emissions reductions, energy efficiency and renewable energy development.

Further, the EAC advocates for a zero-emissions Nova Scotian economy by 2050. This goal, especially for developed jurisdictions such as Nova Scotia, is critical to ensure global temperature rise stays at or below a 1.5°C limit, which the Canadian government has strongly advocated for and which is included in the language of the Paris Agreement. It is difficult to understand how the proposed LNG developments and the Proposed Standards are at all compatible with a fossil-free economy by 2050.

In addition to the points above, the EAC would like to provide the below points that address the specific recommended categories for comment, as per the Proposed Standards.

1. About the proposed GHG intensity benchmark

- a. In order to insure an industry standard of GHG intensity, The Ecology Action Centre recommends that the Province undertake a benchmark that is at or lower than the performance standard in place for LNG projects under review in British Columbia; or no greater than **0.16 tonnes CO<sub>2</sub>e per tonne LNG produced**.

We believe that LNG projects under review in Nova Scotia should be held to at least a high a standard as those in British Columbia. Renewable electricity, zero-emissions electricity and efficient technologies are available and possible here in Nova Scotia, as they are in British Columbia.

- b. The EAC takes issue with the use of a GHG intensity benchmark, alone, and believes that an overall emissions cap for the LNG industry also be considered, as a fraction of overall provincial emissions. The EAC recommends this cap should be **no greater than 20% of total provincial emissions, including the exceeded amounts accounted for by the flexible compliance fund**, in order to ease pressure, and allow the time and resources for existing sectors in Nova Scotia to transition to a carbon-free economy.

2. About the GHG standard compliance fund

The Ecology Action Centre applauds the inclusion of a 'compliance fund' applicable to proposed LNG projects' overall GHG emissions in exceedance of the benchmarked GHG emissions intensity. The EAC sees this model as an important consideration for other emissions intensive industries and project proposals in Nova Scotia. We offer the below comments and recommendations on the compliance fund:

- a. The Ecology Action Centre recommends the rate for the flexible 'compliance fund' begin at \$25/tonne CO<sub>2</sub>e in 2020 and increase proportionally to \$90/tonne CO<sub>2</sub>e by 2030, to better incentivize low-carbon innovation within the LNG sector, and to better fund the solutions and innovations that the compliance fund will support.
- b. The EAC recommends the fund supports projects that include, but are not limited to:
- i. Energy efficiency and fuel-switching
  - ii. Clean technology development
  - iii. Biological carbon sequestration
  - iv. Climate change and coastal adaptation
  - v. Indigenous-owned and community-owned renewable energy projects
  - vi. Support for low-income Nova Scotians toward the transition to energy efficiency and renewable energy systems
- c. The EAC would like to ensure that this compliance fund is applied *in addition to* carbon pricing mechanisms and legislation that are to be implemented in Nova Scotia at the time of the proposed LNG facility's operation.
- d. The EAC recommends that this fund, have emission reduction criteria that are in exceedance of the emissions that were caused to provide the fund.  
For example, if 100 tonnes of CO<sub>2</sub>e were released in order to fund a project or initiative, that project or initiative would have to account for *greater than* 100 tonnes of CO<sub>2</sub>e in emissions savings elsewhere in the Nova Scotian economy.

3. About the GHG emissions and intensity calculations

- a. The EAC understand that upstream and downstream GHG emissions are currently outside of the mandate of Nova Scotia Environment review process on LNG GHG emissions, and the current Environmental Assessment processes within Nova Scotia. However, the EAC advocates for both upstream and downstream emissions to be estimated and presented as part of an overall GHG analysis for developments that are of high GHG emissions intensity.
- b. Upstream emissions should be estimated and presented for activities related to the source product, that include but are not limited to:
  - i. Those associated with exploration, development, processing, transportation and distribution of natural gas and;
  - ii. Those associated with fugitive emissions resulting from compromised wells, hydraulic fracturing and pipeline and transportation leakage of natural gas.
- c. Downstream emissions should be estimated and presented for activities related to the end use of the product, that include but are not limited to:
  - i. Those associated with the loading, transportation, decompression, distribution and burning of the natural gas.