



LIFE IN THE HEARTLAND (LITH) Regional Advisory Committee

MEETING DETAILS:

Date: February 28, 2024 | 5:00PM - 8:00PM (MST)

Location: Lion's Banquet Hall, Dow Centennial Centre | Fort Saskatchewan, Alberta

ATTENDEES:

Industry Representatives (IR):

AIHA	Mark Plamondon
AIHA	Karlee Conway
Dow Canada	Karina Singh
FAP	Nadine Blaney
IPL	Lorraine Royer
Keyera	John Parfett
MEGlobal	Rashiv Lubana
NCIA	Laurie Danielson
NCIA	Chantal Delfs
NRCAER	Brenda Gheran
NWR	Darcy Funk
NWR	Karla Johnston
Plains Midstream	Trevor Dzioba
Shell	Wendy Konsorada
Sherritt	Greg Pohlka
Wolf Midstream	Dan Irwin
Wolf Midstream	Scott McLeod

Public Members (PM):

Public Member	Anne Ryan
Public Member	Barb Gamble
Public Member	Brad Nordin
Public Member	Colin Kerik
Public Member	Dave Armbruster
Public Member	Colleen Dollfus
Public Member	Vikki McLaren

Facilitator & Support:

Facilitator	Shawna Bruce
LITH	Sheena Fitzpatrick

CALL TO ORDER:

- The Facilitator called the meeting to order at 5:45PM.
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SAFETY MOMENT: Be Ice Aware

- Keep a safe distance from riverbanks and lakes.
 - Don't walk on ice-covered bodies of water.
 - It's difficult to assess the thickness of the ice and its ability to hold the weight of a person or animal.
 - If a pet goes into the water, reach with a stick and they will bite it - no need to put yourself and your body at risk.
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HEARTLAND GROWTH GUEST PRESENTATION(S):

Speaker 1 - Lorraine Royer, Inter Pipeline Ltd.:

Gaining Operating Approval for the [*Heartland Petrochemical Complex \(HPC\)*](#)

Application and Approval Process for Operating Approval

- Critical to understand the roadmap early; as well as consult and collaborate with regulators.
- Operating approvals are contingent on other approvals and permits such as environmental requirements and targets.
- Early engagement with stakeholders, communities, and regulators themselves is key to avoid unnecessary delays - setting up expectations and working *with* stakeholders.

Expected Regulatory Jurisdictions

- Two key industrial development authorities in Alberta:
 - Alberta Environment and Protected Areas (AEPA), downstream and non-energy,
 - Alberta Energy Regulatory (AER), upstream energy.
- Local municipal authorities - land use permits.
- Could involve Environmental Impact Assessment (EIA), certain triggers.
- Other Federal and Provincial regulations outside of the above listed must also be considered and have a significant impact on petrochemical developments.

Operating Approval

- Allows for the construction, operation, and reclamation of a facility.

- Is only one of many approvals required for a project.
- Issued/approved based on design parameters and operating commitments, which is typically amended to account for final design and operating conditions.
- Must be renewed every 10 years.
- Can be conditional on other approvals and permits.
- Approval outlines operating parameters, monitoring, and reporting requirements.
- Petrochemical projects do not require a Federal-level EIA *unless* there is a triggering event such as bird migration, etc.

HPC Experience

- Since approvals are for 10 years, currently amid their re-approval.
- HPC has amended agreement 8 times since original approval.
 - Encompasses Name Change of the company; addition of a second plant (PP); adjusting stack heights; etc.
- Once you reach COD or Commencement of Operations, you're accountable to the items in your permits/approvals.

Stakeholder and Community Engagement

- Consultation
 - First Project Information Package mailed to affected stakeholders March 2013
 - Annual updates mailed 2013-2021.
 - First open house May 2013 (additional 4 over time)
- Several public presentations - AIHA, community and government events. Life in the Heartland semi-annual presentations
- Project website, radio and newspaper used as notification tool. Virtual Town Hall set up during pandemic.
- Indigenous Engagement - Notification and consultation, business opportunities.
 - Trying to provide business and education opportunities, such as AutoCAD training at NAIT for as-builts drawings.
 - Women Building Futures - hands on experience for trades and operational roles to have them come work at their facilities.
- Support Organizations - Government, Women Building Futures, Heartland Association, CIAC, Alliance to End Plastic Waste, APRA, Resource Diversification Council.

Consultation: Impact to Design and Project

- It was a conscious decision to use air-cooling over water-cooling, though it is more expensive.
- Hearing from the community very much impacted decisions through the construction. Instead of bussing workers into the project during COVID, they received feedback that it was too compact, so they built a new parking lot enabling people to drive their own personal vehicles instead and minimize time with a group/crowd.
- Community feedback demonstrated support for the project in the community and that people wanted to keep work during COVID.

Speaker 2 - Mark Plamondon, Alberta's Industrial Heartland (AIHA): Growth in [Alberta's Industrial Heartland](#)

Competitive Advantages Driving Growth - Why the Industrial Heartland?

- Canada's largest hydrocarbon processing region.
- Natural resources in Alberta are substantial and low-cost.
 - Some of the lowest cost NG in the world - competitive advantage.
- The region's geology is highly suitable for carbon sequestration.
 - Low-cost, low-carbon production.
- Global market access - gateway to Asia.
 - If AB transports its products to Port Rupert, it has the shortest sailing route to hit international markets in Asia (only 12 days sailing time).
- Alberta's First and Only Designative Industrial Zone.
 - Facilitates Regulatory Streamlining.

Growth Opportunities in Alberta's Industrial Heartland (AIH)

- Petrochemicals
 - Methane - Methanol, Fertilizer, Fuel Ammonia, animal Nutrition, Hydrogen, Hydrogen Carriers
 - Ethane - Ethylene, EO/EG, Chlor Alkali/EDC
 - Propane - Propylene, PO/PG, SAP, IPA, Animal Nutrition
 - Butane - Maleic Anhydride, Isobutane, butadiene
- Diversification/Heavy Industry
 - Renewable Fuels
 - Synthetic Graphite

- Waste-to-Energy

Recent Projects - Announced and Under Study

- Understudy (Low-carbon ammonia product with export to foreign markets): Mitsubishi/Shell; ITOCHU/Inter Pipeline; Pembina/Marubent
- Understudy (Other): Hydrogen Canada; Kansai/ATCO; Varme; AlpinSUN
- In the Works: DOW; Scotford Solar; etc.

Note: As these projects are understudy, there is no certainty they will move forward.

Regional Impacts

- Substantial Capital Investment into the region over this decade
- Significant Employment Growth
- Indirect Economic Activity

Speaker 3 - Laurie Danielson, Northeast Capital Industrial Association:
[Industrial Heartland Designated Industrial Zone](#) (IH-DIZ) Operating Approvals

What is an Operating Approval?

- Alberta Environmental Protection and Enhancement Act (EPEA) is the main environmental statute in Alberta.
- EPEA prohibits anyone from carrying on certain activities that affect the environment unless the person obtains an approval.
- Some large industrial activities require an approval under Schedule 1
- Two bodies grant EPEAs: Alberta Environment and Protected Areas (AEPA) or the Alberta Energy Regulator (AER) prior to their construction or operation.

Regulatory Streamlining in IH-DIZ Area

- The intent of regulatory streamlining is to:
 - Provide clear regulatory requirements for both new and existing facilities.
 - Provide certainty to investors in the zone.

- Reduce approval processing times (the time it takes to new EPEA approvals in the zone will reduce from an average of 18 months to 6 months).
- For the IH-DIZ area, a streamlined approval renewal process adopted in January 2022.
 - [Industrial Heartland DIZ-EPEA Guide or Renewal Applications](#)

New Approvals

- NCIA is currently working with AER and AEPA to streamline process for new approvals/projects.
- This can be done through the Regulatory Assurance Framework (RAF)
 - *It is not a conditional approval; it is an approval with conditions.*

Note: Laurie Retiring from NCIA, will no longer be participating in LITH RAC meetings moving forward (thank you for everything!).

HEARTLAND GROWTH: Industry Panel Q&A and Open Discussion

Question 1:

- PM1: For the IPL facility, do you own the Redwater facility across the river?
- PM1: What about the Saudi facility?
 - Lorraine: Pembina operates that facility for us.
 - Mark: Pembina has not shared any timelines yet, currently in pre-FEED. Final engineering has not been announced yet.

Question 2:

- PM2: For Mark, noticed that all the projects in progress seems like I'm familiar with them. What happens when a company outside of Canada wants to invest in what we offer here in AB? Is the process the same, or is it a deeper process/longer process for them to invest (domestic vs. international)?
 - Mark: Typically, a foreign company will want to partner with a company based here for their localized expertise, in addition to smoother regulatory processes as well. If you're a stand-alone foreign direct entity, there are additional federal-level considerations.

- Lorraine: They just have to live up to the regulations that we do. As long as you've completed your applications as appropriate, you're approved. There are of course larger chances of . Strategic Canadian Assets have a different process -

Question 3:

- PM4: For Laurie, speaking on the reduced timeline. Is Alberta in a race against other countries? Are we going to see that window close?
 - Laurie: Most regions where there is high industrial activity, are competitors (such as Gulf Coast, China, Middle East). Fundamentally, one of the things that will help AB is the DIZ. There are other things that get in the way - we have winter.
 - Mark: Not so much I'd say that there is concern the window is closing, but it comes from a point of competitiveness as a whole. The highest capital risk for an investor comes at the front-end, through the regulatory process. If we can streamline this, accelerated timelines support faster cashflows. If they can get through their approvals and permitting more quickly, "how much money do we have to spend before the government says yes"?

Question 4:

- PM7: For the PIL project, you mentioned air cooling instead of water cooling. Percentage wise, how much did that decrease your water usage? Are other plants considering this change in the future in the Heartland?
 - Laurie: Likely 90% reduction - parking lot. We're not going to build anything new unless we have CCS (for Inter Pipeline). Because it took 14 years from the first press release until when we started up the plant, companies need to think about what they're doing to future-proof their business. We want to be able to keep the value in our assets. Also made the decision to use local steel for the project - lowered cost of execution, despite the steel itself costing more.
 - Polaris Carbon Capture: No water cooling, air cooling selected as well. As its post-combustion capture, the project is actually net water *positive*.
 - DOW: At DOW, some of the older PE plants utilize air cooling as well.

Question 5:

- PM3: It seems to me that the LNG and Trans Mountain pipelines aren't finished, and yet in the presentation, it seemed like they were.

- Mark: The projects that are being studied here are not directly using the LNG or TMP assets. Indirectly, there is more likelihood that. The plants here utilize rail to Prince Rupert, which is then shipped overseas.
- PM3: Don't remember the year this happened, however at one point the GOA signed a contract with perhaps DOW about shipping NG to the USA. But it had to be whole NG, and yet tonight we're talking about different components. So
 - Lorraine: Alliance Pipeline... Yes, at that time they wanted to get the value entrained. They wanted to extract the value-added components *in the US*. I don't believe there is a contract like this anymore. Shift in industry over the years for companies and industry to dictate what values products are added and not.
 - Laurie: We do not take value add products from the Alliance Pipeline, but there are other plants that focus on that now. Most of those changes that capture taking those value-added products are from little to no government involvement.

Question 6:

- PM1: LNG in BC. Strange government gave them this project, but thousands of man-hours were taken to Korea for aspects of the projects. All this time and value younger generations could have utilized ... Are we going to be looking at *build here* in the future? We send Bitumen to the states and buy it back as fuel.
 - Mark: I hear all the time how there is a shortage of labour. It's a balance between ensuring we have the workforce to drive projects, and economic benefit. Market

Question 7:

- PM5: There are a lot of Indigenous people from the reserves that need to be hired for these kinds of projects. You talk about new industry things but not land use... Are you doing it? What are the acts that dictate you have to start bringing more Indigenous people to the table?
 - Lorraine: IP is going in individually to communities and asking, what is most important to you? The feedback is that they want in-community services like drafting, education, etc. We started a training program with NAIT so that community members can build project As-Builts and learning AutoCAD. I'm not telling you we're doing well, we need to do a lot better. We are starting to do a lot more listening and responding. But as of right now, I don't think there is any regulation that answers your question - it is about industry doing the right thing.
 - Laurie: There are a number of industrial entities in the region trying to do better and differently. There are a lot of companies taking steps, but we may not always know what that is.

- PM5: Pull in more Indigenous members so we can tell you what that is. A lot of communities still have systemic trauma and stories, even young people going into the trades - starting right at entry, through programs such as the [Indigenous Building Trades Alliance \(IBTA\)](#). I would like to see more donations going into our communities and within the City of Edmonton - making sure the urban Indians are also included.
 - Laurie: AB Indigenous Opportunities Corporation - invites them to invest in new developments and projects. The impact is really interesting. You don't have a balance sheet, there is no ownership in the land from a financial perspective. The investment and co-investment deals underwritten by the AIOC is allowing these communities to become more involved and listen. I don't think government regulation is the answer - I think it's empowerment.
 - Facilitator: It's an ongoing dialogue and will be opening opportunity at the next meeting.
 - PM1: With building trades, they go after Alberta's Canadians first. There's no differential between who you are - everyone is treated and paid the same. Start and apprenticeship, and you move up from there.
 - IR Keyera: Been experiencing shortage on immediate trades that is ongoing. There is and will continue to be a shortage for a skilled workforce.
 - IR WOLF: Need to build the interest young so they are exposed to the trades workforce early, so they see it as an option.
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ROUNDTABLE: Final Thoughts and Takeaways

- All Public Members (PM) invited to provide something they learned, a question they have, and a piece of information they'll share with others from today's meeting and Guest Speaker Presentations.

PM6:

- **Learned:** Government Program for quick approvals was new. DIZ.
- **Question:** No questions.
- **Sharing:** DIZ.

PM5:

- **Learned:** New to LITH and industry. Coming to these meetings, tons of information when I leave.
- **Question:** N/A
- **Sharing:** N/A

PM4:

- **Learned:** Methane not NG that comes into your house.
- **Question:** Balance between environmental impact and economic benefit. We have such amazing potential here in AB for clean energy. We are better together. We are LITH, not investment in the Heartland - industry and community need to work together to balance and take advantage. Opportunities for kids starts in the schools, for sure in high school, to expose youth to different paths of success.
- **Sharing:** DIZ and new government process.

PM3:

- **Learned:** Kind of blown away by tonight. IMO, this was the best one that we've ever had because there was great conversation at the table, buildup, and thinking about how we can get involved in what is going on. I learned so much tonight.
- **Question:** N/A
- **Sharing:** N/A

PM2:

- **Learned:** Just knowing the strategic process the companies go through from start to finish to make something happen. I appreciate seeing the depth and knowing as a mum, resident - it's trusted that everything is being done right from start to finish. It evolves into a better world for my kids when I'm gone.
- **Question:** I'm very interested in the foreign investment. How much foreign investment is happening in our country vs. maybe hiring domestic?
- **Sharing:** All learnings from the evening.

PM1:

- **Learned:** 60 days to streamline DIZ.
- **Question:** Waste-to-energy – what is happening there? Are we still going this route?
 - IR: Enkern facility closed at the Edmonton Waste Management Centre (EWMC). Varme exploring new technologies and commitments, including an agreement with the City of Edmonton.
- **Sharing:** N/A

PM7:

- **Learned:** The draw for Ammonia to Asia markets. Didn't know what the end result was being used for their co-gen facilities. Also, many of the projects that are Under Study are involving ammonia as well. AIH is the only DIZ - it is the first in Canada, and only in AB. Province has had request for other areas (Med Hat might be next).
 - **Question:** N/A
 - **Sharing:** N/A
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Closing Thoughts – Facilitator

- Don't see this kind of collaboration elsewhere. Some examples of excellent initiatives we have include air monitoring for the region, the Alberta Industrial Heartland, NCIA, and so much more.
 - The Heartland is in a different category compared to other areas. It is the only DIZ because we have the unique regional approach to collaboration - look at the LITH itself.
 - The Facilitator adjourned the meeting at 8:00PM.
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Next Meeting

Date: June 5, 2024 | 5:00PM - 8:00PM (MST)

Location: Lion's Banquet Hall, Dow Centennial Centre | Fort Saskatchewan, Alberta