

VIA EMAIL SUBMISSION

August 31, 2022

Canada Energy Regulator
Suite 210, 517 Tenth Avenue S.W.
Calgary, Alberta T2R 0A8

Attention: filingmanual@cer-rec.gc.ca

**Re: Trans Mountain Pipeline ULC (“Trans Mountain”)
Canada Energy Regulator (“CER”) Proposed Changes to Filing Manual Guide A:
GHG Emissions and Climate Change Tables A-2 and A-4 and New Supplemental
Guidance – Comments**

Trans Mountain is in receipt of the CER’s Proposed Changes to Filing Manual Guide A: GHG Emissions and Climate Change Tables A-2 and A-4 and New Supplemental Guidance. Trans Mountain acknowledges and appreciates the refinement of the proposed changes considering more recent federal initiatives such as the *Canadian Net-Zero Accountability Act*, Environment and Climate Change Canada’s (ECCC) *2030 Emissions Reduction Plan*, the *Strategic Assessment of Climate Change* (SACC) and Technical Guide.

Within the oil and gas sector, pipelines generate very little GHG emissions. The oil and gas sector is Canada’s largest source of GHG emissions, accounting for approximately 179 Mt, or 27% of the total national GHG emissions in 2020. Of that, the largest source is upstream oil and gas extraction at 84%, downstream oil and gas at 10% and transmission pipelines at 6%.¹ Based on this, pipelines make up approximately 1% of Canada’s total emissions in 2020. Emissions from Trans Mountain’s operation is even lower than average, as a portion of its power comes from hydro electric sources.

Trans Mountain offers both general and specific comments with respect to the proposed changes.

Flexible Approach is Needed

Trans Mountain would request the CER to consider a flexible approach in considering GHG reduction and management measures in the Filing Manual. Numerous pipelines regulated by the CER have publicly outlined their long-term strategies to reduce their emissions in corporate emission reduction plans (“ERP”) and would deploy those strategies during construction and operation activities. Where a net-zero 2050 ERP exists, the CER should allow companies to defer to it in lieu of detailed project-specific Filing Manual requirements for projects, as the generation, reduction and mitigation of GHG emissions are accounted for in the overall corporate plan.

Commission May Impose Conditions on Orders and Certificates

Trans Mountain appreciates clarity of the CER’s expectations in the Filing Manual for planning all facilities applications. This is critical to a transparent and expeditious regulatory assessment process. However, the Filing Manual should not be exhaustive to anticipate all possible outcomes for appropriate mitigations to be put in place. The Commission of the CER has the power to impose

¹ [ECCC Options to Cap and Cut Oil and Gas Sector Greenhouse Gas Emissions to Achieve 2030 Goals and Net-Zero by 2050 Discussion Document, July 2022](#), pp.8-10. Date accessed: August 17, 2022.

conditions on authorizations that must be satisfied prior to construction or operation.² Therefore a flexible approach in the Filing Manual does not preclude the CER from imposing requirements that may be required for a unique project or circumstance.

Specific Comments

Figure 1: Scalable Approach

Figure 1 demarcates the Climate Change Factor Assessment between new project applications (s.183, s.214, s.298) and “other sections” of the *Canadian Energy Regulator Act* (“CER Act”) and the CER Onshore Pipeline Regulations (“OPR”). Trans Mountain would consider the other sections to include deactivation (OPR s.44), decommission (OPR s.45.1) and reactivation (OPR s.45). It is Trans Mountain’s interpretation that Figure 1 requires project GHG assessments for these types of projects. Given that many projects considered under these sections are small in nature and generate negligible GHG emissions, the Filing Manual requirements for these projects should be limited or excluded altogether. Trans Mountain would also encourage the CER to consider a corporate ERP in lieu of Filing Manual requirements.

Figure 2: Scalable Approach – Construction GHG Emissions

Figure 2 identifies two paths of Filing Manual requirements for GHG emissions depending on whether the proponent is above or below the threshold, which is not yet defined, but appears to be predicated on whether vegetation clearing takes place. If emissions are above the threshold, the proponent would have to calculate GHG emissions from land-use change and provide emissions mitigation measures plan for construction. If emissions are below the threshold, this information is not required. In all cases, proponents would have to provide sources and quantification of GHG emissions, mitigation measures, percentage of total sector-based emissions and describe whether the project will hinder or contribute to Canada’s climate change commitments.

There are a wide variety of “construction” projects that require approval under s.214 of the CER Act but are in effect a replacement of existing infrastructure required for the continued safe operation of the pipeline.³ As replacements are maintenance projects required over the lifecycle of the pipeline, they are not “new construction”, but under the proposal would require a climate change factor assessment as they are applied for under a s.214 process. In these circumstances, the CER should consider a corporate ERP in lieu of Filing Manual requirements.

Further, should a maintenance project under a s.214 process require a climate change factor assessment, the requirement to do so could compromise consideration of environmentally preferred methods of installation, such as trenchless installation, which impose little to no environmental impact to watercourse crossings and fish habitat but may require a land-use change (tree clearing to obtain temporary workspace and access) which may generate GHG emissions. Further, under this structure, the proponent and the CER would have to consider whether the project affects Canada’s climate change commitments, which could impact the Commission’s decision on whether a project, required for the continued safe operation of the pipeline and the protection of the environment, may proceed.

² For example, for the Trans Mountain Expansion Project, [Certificate of Public Convenience and Necessity OC-065](#) Condition 140 requires a post-construction GHG assessment report to be submitted to the CER for approval two months after commencing operations, and Condition 142 requires a GHG emissions offset plan to be submitted to the CER for approval within 4 months after commencing operations. Date accessed: August 17, 2022.

³ Recent Trans Mountain examples: [Sumas River Crossing Replacement Project](#), [Coquihalla River Crossing No. 15 and 16 Replacement Project](#). Date accessed: August 17, 2022.

Trans Mountain suggests that these requirements be adjusted to consider a corporate ERP for construction projects that are required for pipeline maintenance.

Figure 3: Scalable Approach – Operational GHG Emissions

Under the federal government’s *2030 Emissions Reduction Plan*, Canada is looking to make large investments in grid modernization and generation of new non-emitting generating capacity, interconnections between regions to displace non-clean electricity with clean sources, and develop a clean electricity standard.⁴ Trans Mountain encourages the CER to consider these advancements in clean electricity, in lieu of detailed Filing Manual requirements, especially in consideration that these initiatives are beyond the control of the proponent. The CER should consider corporate ERPs in lieu of detailed Filing Manual requirements.

Figure 4: Scalable Approach – Upstream GHG Emissions

Figure 4 identifies two paths of Filing Manual requirements for upstream GHG emissions depending on whether the upstream GHG emissions are above 500 kT CO₂e per year or below. If emissions are above the threshold, the proponent would provide an upstream GHG Assessment. If below, there is no filing requirement.

Under the *2030 Emissions Reduction Plan*, the federal government intends to cut and cap emissions from the oil and gas sector, further advance carbon capture utilization and storage (CCUS), and further reduce methane emissions through regulation.⁵ Further, if a proponent were to consider a pipeline project where the upstream GHG emissions are above 500 kT CO₂e per year, the upstream project may already be considered a “physical activity” under the *Physical Activities Regulations* and subject to federal assessment under the *Impact Assessment Act* (“IAA”). The assessment of GHG emissions sources, quantification and mitigations would then be appropriately assessed by a review panel under the IAA, and not the CER.

For these reasons, the proposed requirements in the Filing Manual may impose greater burden on the proponent than necessary by requiring information which is outside of its control, may not reflect federal initiatives underway to reduce oil and gas sectoral emissions, and are in duplication of reviews undertaken through another federal regulatory process.

Closing

Trans Mountain appreciates the opportunity to provide feedback on the proposed Filing Manual changes.

⁴ [2030 Emissions Reduction Plan](#), pp. 40-42. Date accessed: August 17, 2022

⁵ [2030 Emissions Reduction Plan](#), pp. 52-53. Date accessed: August 17, 2022