

POWELL RIVER REGIONAL DISTRICT

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"GENETICALLY ENGINEERED FREE CROP AREA"

June 25, 2008

Honorable Gordon Campbell, Premier
Province of British Columbia
PO Box 9041, Stn Prov Govt
Victoria, BC V8W 9E1

Honourable Richard Neufeld
Minister of Energy, Mines and Petroleum Resources
PO Box 9060, Stn. Prov Govt
Victoria, BC V8W 9E2

Honourable Barry Penner
Minister of Environment
PO Box 9047, Stn Prov Govt
Victoria, BC V8W 9E2

Dear Sirs:

Re: Liquid Natural Gas Electricity Generating Facilities -- Texada Island

I am writing on behalf of my Board to request Provincial Government support for two actions that the Powell River Regional District Board considers to be advantageous to BC's southern coastal environment and residents and compatible with the "BC Energy Plan" objectives of electricity self-sufficiency and clean energy. These actions are

1. Amend the "BC Energy Plan" to require zero greenhouse gas emissions from new gas-fired electricity generation facilities; and
2. Implement a federal ban on the passage of LNG tankers in the waters of the Malaspina and Georgia Straits.

A certified copy of the Board resolution pertaining to these matters is enclosed.

The Province has the authority to address the first item. The second will require the cooperation of the federal government which we intend to seek directly, hopefully with your support.

Background

The Board's resolution arose as a result of WestPac LNG Corporation announcing last year that it was soliciting interest in a proposal to import liquefied natural gas from Asia, the Middle East or Russia via tankers through the Georgia Strait to Kiddie Point on Texada Island. There the company would construct a re-gasification plant and a gas-fired electricity generating facility with associated transmission line. We are aware that Texada Action Now, a residents group on Texada, has already sent further details on WestPac's plans to you, so we will not repeat them here.

Understandably, many of Texada's 1,100 or so residents are concerned about how a project of this magnitude may affect the local and global environment [air, water and land] and the social fabric of the island. As part of our responsibilities to our constituents both on Texada Island and in the region as a whole, the Regional Board has been investigating the potential negative impacts of the proposal and how these might be mitigated.

Our investigation led to a more diligent review of the "BC Energy Plan" than the Board might otherwise have undertaken (given our limited elected official and staff resources). Directors unanimously support the commitments of that Plan to

- Ensure that British Columbia's electricity sector remains one of the cleanest in the world; and
- Achieve electricity self-sufficiency by 2016.

In our view, WestPac's plans are not compatible with the spirit of the Plan or with these specific commitments.

Emissions

To be meaningful, the calculation of greenhouse gas (GHG) emissions from any electricity generating facility (or any other process) must take into account the full cycle emissions, i.e., the emissions directly related to the power generation plus emissions from associated processes and activities. For the WestPac proposal the latter would include the process to liquefy the gas for shipping, the shipping itself; "boil off" or loss of gas during the shipping period, and re-gasification. Our information is that the boil-off during shipping produces methane which is 23 times more damaging to the environment than CO₂. Failure to consider the full cycle emissions associated with any facility results in a calculation that is incomplete and understates its real environmental impact.

The attached chart from an International Atomic Energy Association report illustrates the full cycle CO₂ emissions of various electricity generating technologies. Coal-fired electricity generation, which the provincial Plan fortunately does not encourage, is obviously the worst offender. However, CO₂ emissions produced by natural gas electricity generation are only 25% lower and still substantial.

That being the case, we question the rationale or wisdom of the Energy Plan policy to require zero GHG emissions from coal fired plants while requiring only zero net GHG emissions from new gas-fired plants. We propose that both processes be subject to the more stringent requirement of zero.

We do not believe that investing in offset projects or contributing to the Clean Energy Fund to achieve zero net emissions is the best way to deal with GHG emissions in this instance. We acknowledge that the technology for 100% carbon sequestration is not yet commercially available. But, since this is expected within the next decade and since the Energy Plan indicates the Province plans to increase requirements for sequestration over time, implementing such a policy now is not unreasonable and would further demonstrate your government's commitment to take firm action aimed at retarding climate change.

Electricity Self Sufficiency

The Energy Plan commitment to electricity self-sufficiency by 2016 is commendable and this Board endorses the Plan's emphasis on conservation as a means to achieve this goal. We can also see opportunities to use our abundant water resources to develop new hydro generating facilities and our

own natural gas resources for gas-fueled power generation to meet increased future demand, at the same time respecting the commitment to self-sufficiency.

On the other hand, electricity generating facilities that rely on LNG imported from elsewhere clearly seem incompatible with this commitment. We would appreciate knowing how the province intends to respond to such proposals, given your Plan's goals and policies.

Tanker Traffic in the Georgia Strait

If the WestPac plans for its Texada Island development were realized, then tankers carrying the LNG would pass through the lower Georgia Strait and, possibly into Malaspina Strait, on a weekly basis. Our major concerns about this traffic are public and environmental safety and compatibility with existing marine traffic in the straits.

We are not aware of any LNG tanker accidents to date. However, the robust tanker design and construction requirements, stringent regulations in place elsewhere for separation distances between LNG tankers and other marine traffic and docking areas, and the need for a pilot tug to accompany tankers in inside waters all indicate that an accident risk does exist and that the consequences could be catastrophic.

Georgia and Malaspina Straits support a rich and ecologically significant diversity of marine life, and many communities, large and small, have developed along its uplands. We cannot countenance introducing marine traffic that presents such a formidable threat to either.

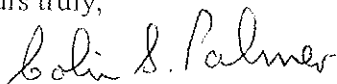
Also, the Straits are already heavily used marine traffic corridors for commercial and recreational vessels and for several BC Ferries routes. Boats must navigate around hazard areas and passage through some of the narrower channels can be difficult. We are concerned that required clearances from the LNG tankers may interfere with this existing traffic, resulting in negative economic consequences for the commercial sector and public inconvenience with respect to ferry and recreational travel.

Based on these concerns about clearances from other shipping traffic, proximity to coastal communities and the integrity of the waters and sea life of the straits, we believe LNG tankers should not be permitted in these inside waters. We will be asking the federal government to ban this traffic and we respectfully request your support for this request.

Conclusion

Balancing economic and environmental interests has long been a difficult task, and never more so than now as our planet and our society face the consequences of past misplaced priorities. We trust that you will receive this letter in the spirit we intend – a willingness to work with the Province to achieve a sound, defensible energy policy, to minimize environmental degradation and to safeguard our region and the surrounding mainland and Vancouver Island communities and coastal waters.

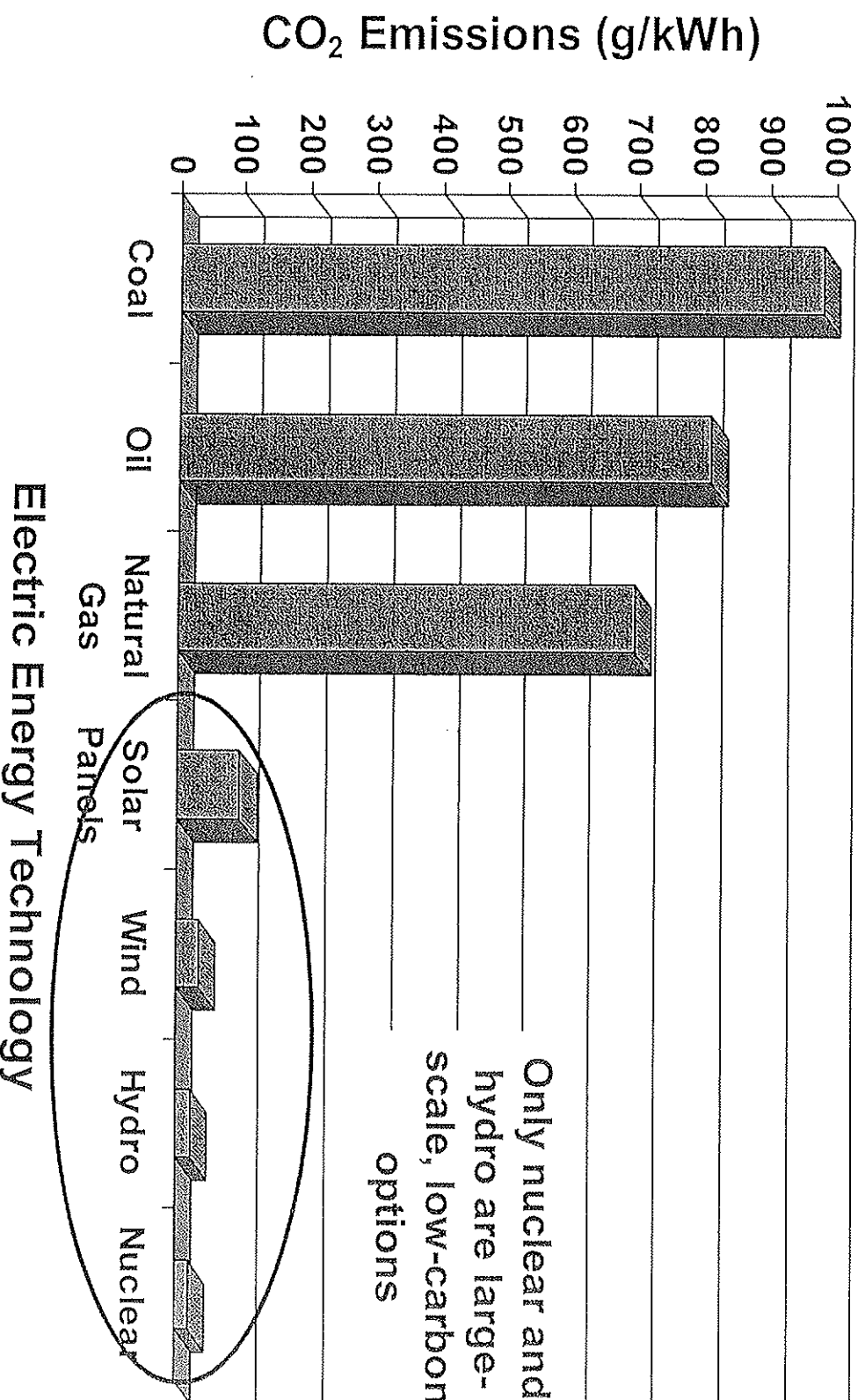
Yours truly,



Colin S. Palmer
Chair

Enclosures

Full Cycle CO₂ Emission Studies



Source: IAEA Spadaro et al. 2000

**POWELL RIVER REGIONAL DISTRICT
MOTION
May 22, 2008**

MOVED "Director Murphy"
SECONDED "Director Anderson"

WHEREAS the Board of the Powell River Regional District supports the objectives of the BC Energy Plan of the Government of British Columbia which states:

1. Achieving electricity self-sufficiency is fundamental to our future energy security and that BC shall achieve electricity self-sufficiency by 2016.
2. For existing and new electricity plants the government will set policy around reaching zero net emissions through carbon offsets from other activities in British Columbia.
3. The government is committed to ensuring that British Columbia's electricity sector remains one of the cleanest in the world and that the province will require zero greenhouse gas emissions from any coal thermal electricity facilities which can be met through capture and sequestration technology.

AND WHEREAS WestPac LNG is soliciting interest to build an LNG import facility and an associated 600MW gas-fired electricity generating plant on Texada Island, the emissions from which could negatively impact the environment of the Powell River Regional District and beyond;

AND WHEREAS Westpac LNG's plans will involve the passage of a significant number of LNG tankers in the Georgia Strait, which will interfere with existing commercial and recreational marine traffic, put at risk these ecologically important and sensitive inland waters, and negatively impact upland development along this route;

THEREFORE BE IT RESOLVED THAT, consistent with the Province's goal of energy self-sufficiency and clean power, the Board of the Powell River Regional District urge the Provincial government, as part of achieving the BC Energy Plan, to require zero greenhouse gas emissions from new gas-fired electricity generation stations and to support a federal government ban on the passage of LNG tankers in the waters of the Malaspina and Georgia Straits;

AND THAT the Regional Board request the federal government to implement a ban on LNG tanker traffic as indicated above.

AND FURTHER THAT the Regional Board seek support for these initiatives from other Vancouver Island and mainland coastal communities potentially impacted by WestPac's LNG import plans.

I hereby certify the above to be a true and correct copy of a motion adopted by the Board of the Powell River Regional District at its meeting dated **May 22, 2008**.


Frances Ladret, Administrator

Dated this 26th day of May, 2008