Joint Review Panel

Established to review the Pierre River Mine Project

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January 22, 2015

TO REVIEW PARTICIPANTS

Re: Panel Response to Participants' Written Comments

By letter dated February 11, 2014, Shell Canada Energy (Shell) advised the Joint Review Panel (Panel) that it wanted to suspend the environmental assessment process respecting the Pierre River Mine Project (Project). Shell had determined that it needed to adjust the development timing for the Project and as such it was re-evaluating certain aspects of its Environmental Impact Assessment (EIA). Shell also advised that as part of its review, it would update its responses to the Panel's supplementary information requests provided to the Panel in October 2013.

The Panel responded by letter dated <u>February 13, 2014</u> requesting, among other things, that Shell provide quarterly updates as to the status of its evaluation and the timing for filing the updated information. By letter dated <u>March 18, 2014</u>, the Panel sent Shell new information requests identifying the deficiencies in Shell's October 2013 responses.

In the May 13, 2014 quarterly update Shell addressed two issues related to Regional Study Area (RSA) sizing and assessment of effects to Aboriginal culture and heritage as follows:

To address the issue of RSA sizing Shell intends to collaborate with, and solicit feedback from, relevant federal and provincial regulators to determine appropriate methodologies... Once Shell has obtained feedback from appropriate federal and provincial regulators, and has developed what it believes to be a defensible methodology, Shell will present the methodology to the JRP for consideration. At that point, Shell expects the JRP may wish to involve interested stakeholders in the consideration of the methodology, and provide a ruling as to the appropriateness of the methodology. A ruling on this issue would establish useful guidance for Shell to develop responses to the R2 SIRs, as well as other proponents and interested parties involved in the federal environmental assessment process. Once Shell receives a ruling from the JRP, it will then proceed to respond to relevant R2 SIRs based on the approved or revised methodology, as the case may be.

With respect to the issue of assessment of effects on Aboriginal culture and heritage, Shell intends to engage appropriate federal and provincial regulators and follow the same process outlined in the above paragraph. In addition, Shell intends to engage in the process Aboriginal groups impacted by PRM to solicit their feedback on an appropriate methodology for assessing effects on Aboriginal culture and heritage.

The Panel also received correspondence on <u>September 9, 2014</u> from Athabasca Chipewyan First Nation's (ACFN) Industrial Relations Corporation, in which ACFN expressed concerns about how Shell intended to deal with certain methodology questions relating to Shell's assessment of project effects.

By notice dated <u>November 19, 2014</u>, the Panel invited review participants to provide comments on the issues raised by Shell respecting RSA sizing and assessment of effects to Aboriginal culture and heritage. Specifically, the Panel sought public comments on

• Shell's recommendation that the Panel should provide a ruling as to the appropriateness of the methodologies being used in order to give guidance to Shell in the development of responses to the Round 2 supplemental information requests (R2 SIRs).

The Panel noted that it might consider conducting a pre-hearing process, if it appeared there was an interest or a need for such a process.

The Panel received comments from the following review participants:

- (i) ACFN
- (ii) Department of Justice representing federal departments
- (iii) Fort McKay Sustainability Department representing Fort McKay First Nation and the Fort McKay Métis Community
- (iv) Métis Nation of Alberta Local 1909
- (v) Mikisew Cree First Nation
- (vi) Non-status Fort McMurray/Fort McKay Band and Clearwater River Band No. 175
- (vii) Shell

Comments from the review participants are available on the public registry.

Based on the comments received, the Panel is encouraged by the process of engagement initiated by Shell with various stakeholders to solicit their views and input on the appropriate size of the RSA and for assessing the effects to Aboriginal culture and heritage. The Panel notes that such an engagement process is an appropriate mechanism to address these matters and notes that Shell plans to continue to engage participants, as appropriate, in this regard.

Given that the process of engagement is ongoing, the Panel is of the view that it would be premature to determine whether a pre-hearing process should be held at this time. However, bearing in mind the timelines set out in the Shell comment letter respecting the engagement

process, the Panel requests that Shell provide the Panel with a written update on the status of the engagement process by no later than March 27, 2015. The Panel also expects that Shell will provide an update on the results of its internal evaluations respecting the overall development timing for the Project as stated in its letter to the Panel dated <u>February 11, 2014</u>.

Depending on the updates provided by Shell and any other comments received by other review participants, the Panel will decide whether a pre-hearing process is required and/or whether to adopt some other course of action.

Yours truly,

<original signed by>

Alex Bolton Joint Review Panel Chair