Section 3.19: Oil Handling Facilities Requirements

TERMPOL Surveys and Studies

ENBRIDGE NORTHERN GATEWAY PROJECT

FINAL - REV. 0

Prepared for:
Northern Gateway Pipelines Inc.

January 20, 2010
Table of Contents

1   TERMPOL Section 3.19.1 - Oil Handling Facilities Requirements .................. 1-1

   1.1  Section 3.19.1 (a) - Compliance with OHF Regulations .............................. 1-1
   1.2  Section 3.19.1 (b) and (c) - Certified Response Organization and Site Declaration ................................................................. 1-4
   1.3  Section 3.19.1 (d) - Oil Pollution Emergency Plan ........................................ 1-5
1 TERMPOL Section 3.19.1 - Oil Handling Facilities Requirements

The following information is presented to address Section 3.19.1 of the TERMPOL Review Process published by Transport Canada. Specifically this section highlights proposed Enbridge Northern Gateway Pipelines Inc. actions to comply with regulations and standards relating to the proposed Oil Handling Facility (OHF).

1.1 Section 3.19.1 (a) – Compliance with OHF Regulations

Enbridge Northern Gateway Pipelines Inc. (Northern Gateway) is seeking approval to build and operate a marine and tank terminal at Kitimat BC (the Kitimat Terminal). The Kitimat Terminal will be an Oil Handling Facility (OHF), as defined in Section 2 of the Canada Shipping Act, 2001 (CSA 2001) and as such will have an oil spill response capability, an Oil Pollution Emergency Plan (OPEP) and an Oil Pollution Prevention Plan (OPPP) to comply with the Act. Applicable standards and regulations that relate to oil spill response capability and associated plans are described in the following:

- Response Organizations and Oil Handling Facilities Regulations;
- Oil Handling Facilities Standards 1995 (TP12402);
- Environmental Response Arrangements Regulations;
- Pollutant Discharge Reporting Regulations, 1995; and
- Regulations for the Prevention of Pollution from Ships and for Dangerous Chemicals.

Other relevant Acts include:

- Marine Liability Act;
- Fisheries Act;
- Oceans Act;
- Migratory Birds Convention Act;
- Canadian Environmental Protection Act; and
In addition to compliance with regulatory requirements, Northern Gateway intends to integrate all aspects of crisis management, emergency response and spill response operations by the development of a project General Oil Spill Response Plan (GOSRP). This GOSRP will be the cornerstone of an hierarchy of prevention and response plans (as described in TERMPOL 3.18, Section 1) which, together, will describe measures that would be implemented prior to or following an oil spill on land, at the terminal or along the marine transportation routes to enhance the effectiveness of oil spill response and the mitigation of effects. The GOSRP will cover any oil spill with actual or potential consequences to Project personnel, the environment, property or the public at large associated with the Project. The GORSP will include an outline of the organization, which would be established (in cooperation with government and other agencies) to manage an oil spill response. At the next level of contingency planning, Northern Gateway intends to develop a Marine OSRP and a Kitimat Terminal OSRP as umbrella documents for all required plans and supporting technical reports. The Terminal OSRP is an umbrella for the sub-plans that relate to oil spills and will include the Terminal / Transshipment Site Operations Manual (TOM), the Oil Pollution Prevention Plan (OPPP) and the Oil Pollution Emergency Plan (OPEP). Other terminal related, but not oil spill related, plans to be integrated into a Terminal Emergency Procedures Manual would address topics such as pipeline operational emergencies, fire, explosion, forest fire, earthquake, power failure, security incidents, and other non-spill emergencies.

As the future operator of the Kitimat Terminal, Northern Gateway intends to comply with the requirements for an OHF described in the CSA 2001 and its regulations, by developing oil spill response capabilities on several fronts:

- By developing a stand-alone spill response capability at the Kitimat Terminal so that the Terminal is able to respond, on its own, to a spill up to 50 cubic metres volume.

- For spills larger than 50 cubic metres, by developing the capability to mount an initial response to any oil spill at the Kitimat Terminal (regardless of size) whether the spill source is from the Kitimat Terminal or from a ship berthed at that facility.

- By creating or entering into a contractual arrangement with a Response Organization (RO) certified by Transport Canada to provide oil spill response services at the terminal and for each of the visiting tankers or support vessels in the confined channel assessment area (CCAA) and in open waters (within Canadian jurisdiction) in which project-related shipping will occur. That RO will have a 10,000-tonne response capability for the defined Primary Area of Response (PAR).

- By ensuring that all tankers that berth at the Kitimat Terminal to load or offload oil cargoes will comply with all relevant elements of the Terminal OSRP.

- By ensuring that the operator of each tanker that visits the Kitimat Terminal will comply with all relevant elements of the Marine OSRP, that will include extensive measures to prevent incidents and oil spills.

- By outfitting Escort Tugs with equipment suitable for oil spill response along the project tanker routes, and having these tugs classified as escort, firefighting and first response tugs.
By preparing Harbour Tugs (working in the vicinity of the Kitimat Terminal) to be able to take oil spill response equipment onboard and to be able to deploy that equipment, and have firefighting and first response capability.

By installing oil spill response equipment on land or on a floating platform(s) at a number of locations along the tanker routes to improve upon the CSA response time.

By training the following in oil spill response methods:
- Staff members from the Kitimat Terminal.
- Spill responders from contractors that work for the Kitimat Terminal.
- Spill responders from communities adjacent to the tanker routes.
- Crew members that work on the Escort Tugs and Harbour Tugs.

By conducting an annual training and exercise program.

By developing a Fishermen’s Oil Spill Emergency Team (FOSET) in the northern BC marine area.

By developing maps showing sensitive areas.

By the assessment of potential oil spill pathways for response planning purposes.

By participating with BC Environment and others to develop Geographic Response Plans (GRPs) for selected shorelines in the Kitimat Arm area.

By engaging an experienced contractor to provide an oil spill trajectory analysis service suited to the Northern Gateway project area.

By participating in joint programs with government agencies, wildlife response organizations, industry and others to improve the wildlife protection and response capabilities for the northern BC coastal area.

By participating in joint programs with government agencies, other companies and other participants to advance the spill response capabilities that would be relevant to the Northern Gateway project area.

The maximum oil transfer rate between the Kitimat Terminal and visiting tankers will exceed 2,000 cubic metres per hour. For this reason, the Kitimat Terminal would be designated a Level 4 oil handling facility (OHF) as described in the Oil Handling Facilities Standards 1995. As a Level 4 OHF, the Kitimat Terminal would provide a stand-alone capability to respond to a 50 cubic metre oil pollution incident for each type of oil loaded or unloaded to or from a ship. The stand-alone response capability to be developed would be described in Northern Gateway’s oil pollution emergency plan (OPEP). The capability would include equipment and personnel that are trained to deploy and operate that equipment. The response capability would include the development of spill management expertise and facilities as described by the GOSRP. Northern Gateway plan to have a terminal marine response capability of at least 250 cubic metre capacity, in excess to the 50 cubic metres required under the CSA standards.
1.2 Section 3.19.1 (b) and (c) – Certified Response Organization and Site Declaration

Pursuant to section 168(1) of the CSA, 2001 the operator of an oil handling facility shall:

- Have an arrangement with a response organization (RO) in respect of any quantity of oil that is, at any time, involved in being loaded or unloaded to or from a vessel at the oil handling facility, to a prescribed maximum quantity;

- Have on site a declaration that describes the manner in which the operator will comply with the regulations, confirms that the arrangement has been made, and identifies every person who is authorized to implement the arrangement and the oil pollution emergency plan (OPEP);

- Have on site an oil pollution prevention plan (OPPP) that meets the prescribed requirements to prevent a discharge of oil during the loading or unloading of a vessel;

- Have on site an oil pollution emergency plan (OPEP) that meets the prescribed requirements to respond to a discharge of oil during the loading or unloading of a vessel; and

- Have the prescribed procedures, equipment and resources available for immediate use in the event of a discharge of oil during the loading or unloading of a vessel.

Northern Gateway has developed a draft outline for a proposed combined Oil Pollution Emergency Plan and Oil Pollution Prevention Plan for the Marine and Tank Terminal at Kitimat. Once completed, the OPEP will reflect the facilities as-built, equipment acquired and commissioned, support vessels chartered or built; staff, contractors and support services hired; communications systems installed and radio frequencies licensed; and the training certificates or credentials held by personnel. Similarly, the OPPP will reflect the spill prevention measures implemented.

As the Project is several years from construction and commissioning, Northern Gateway has discussed the preliminary requirements of a Northern Gateway Project response organisation and plans with the accredited regional response organisation, but has not yet created or entered into a contractual arrangement with a Response Organization (RO) certified by Transport Canada to provide oil spill response services. This action will be taken in the calendar year in which actual oil handling begins (now estimated to be 2015 or 2016, well in advance of receipt of first oil via the Northern Gateway pipeline or condensate from a visiting tanker). The RO will have in place an approved response plan specific for the geographic area adjacent to the Terminal and this plan will include and conform to the Project GOSRP and Terminal OSRP.

Northern Gateway intends to submit the Terminal OSRP, including the OPEP and OPPP documents, to Transport Canada and to the NEB at least six months before the Kitimat Terminal begins handling bulk oil. The required OHF declaration would be signed by an authorized Northern Gateway representative and included in the OPEP along with evidence that Northern Gateway has created or executed an arrangement with an RO certified by Transport Canada to deliver a 10,000 tonne oil spill response capability.
1.3 Section 3.19.1 (d) – Oil Pollution Emergency Plan

Pursuant to section 168(1) of the CSA, 2001, the operator of an oil handling facility shall have on site an oil pollution emergency plan (OPEP) that meets the prescribed requirements to respond to a discharge of oil during the loading or unloading of a vessel.

The draft outline for a proposed combined Oil Pollution Emergency Plan and Oil Pollution Prevention Plan for the Marine and Tank Terminal at Kitimat is presented in Appendix D in TERMPOL 3.18. When completed, this document will comply with the prescribed requirements referred to in the CSA, 2001.

The project GOSRP and the Terminal OSRP, as described in Section 1.1 above, would define the vertical responsibility and continuity between the most general (corporate) and the most specific (e.g., OPEP) plan levels. Within this systematic structure there would be an horizontal integration and coordination of the various related pipeline, terminal and marine plans, manuals, and supporting documents that are designed to enable the implementation of an effective and successful spill coordinated response operation at the terminal and on the adjacent waters. The GOSRP and the Terminal OSRP would be developed along the lines of the draft proposed outlines presented in Appendices A and B in TERMPOL 3.18 and would contain, among other things, information on the following:

- Company policies and priorities with respect to oil pollution prevention, response and health and safety.
- Organizational structure for crisis management, emergency response, and spill response by Northern Gateway: including descriptions of the spill response management team and the incident command system.
- Support service contracts and contact information.
- Northern Gateway response resources: personnel, equipment, aircraft, vessels, etc.
- Surveillance and tracking procedures for spilled oil and wildlife at risk.
- Assessment of potential oil spill pathways for response planning purposes
- Shoreline treatment methods and procedures to organize a shoreline response.
- Wildlife protection and response.
- Disposal of recovered oil and oily by-products.
- Training and exercise programs.

The more specific OPEP document would be developed along the lines of draft proposed outline presented in Appendix D in TERMPOL 3.18 and would contain, among other things, information on the following:

- OPEP purpose, scope, custody, distribution and updating.
- Site information and oil properties.
Northern Gateway Pipelines Inc.
Section 3.19: Oil Handling Facilities Requirements
Section 1: TERMPOL Section 3.19.1 - Oil Handling Facilities Requirements

- Notification process (after first report of a spill).
- Activation, if necessary, of the Response Organization (RO)
- Emergency checklists for response team members (spill management team).
- Sources of equipment and personnel.
- Site Specific Response Strategies:
  - Initial response actions for oil containment and recovery on shore and/or on the water.
  - Health and safety strategies.
  - Initial safety assessment.
  - Health and safety plan template.
  - Waste management plan template.
- List of contacts (for spill notification and spill response resources).
- Spill report form (for reporting a spill to government regulatory agencies).
- Communications.
- Spill scenario analysis (for spills from the Kitimat Terminal).
  - Response scenarios.
  - Spill response countermeasures for site specific locations in the area around the Kitimat Terminal.
- Oil Pollution Prevention Plan (OPPP).
- Oil handling facility declaration.

The intended GOSRP, Terminal OSRP and the OPEP are supplemented by numerous technical and data reports that are an integral component of the plan preparation process and the intended project-wide training and exercise program. Appendix E in TERMPOL 3.18 provides a draft outline of the intended table of contents for the Oil Spill Response Planning Technical Data Report (TDR) for the confined channel assessment area (CCAA), which includes the marine waters adjacent to the proposed terminal.