

Agenda Addition
Special General Purposes Committee – May 11, 2015

**FRASER SURREY DOCKS – PUBLIC COMMENT PERIOD,
CONSIDERATION TO AMEND PERMIT NO 2012-072**

(File Ref. No.: 01-0140-20-PMVA1) (REDMS No. 4574708, 4574968)

STAFF RECOMMENDATION

That the response letter attached to the memorandum titled “Fraser Surrey Docks – Public Comment Period, Consideration to Amend Permit No. 2012-072,” dated May 7, 2015 from the Director, Intergovernmental Relations and Protocol Unit be endorsed for submission to Fraser Surrey Docks.





City of
Richmond



TO: MAYOR & EACH
COUNCILLOR
FROM: CITY CLERKS OFFICE

Memorandum
Administration
Intergovernmental Relations and Protocol Unit

PHOTOCOPIED

To: Mayor and Councillors

Date: May 7, 2015

From: Amarjeet S. Rattan
Director, Intergovernmental Relations & Protocol
Unit

File: 10-6150-01/2015-Vol 01

MAY 8 2015

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Re: Fraser Surrey Docks - Public Comment Period, Consideration to Amend Permit No. 2012-072

As discussed at the May 6th Planning Committee, staff have compiled a draft response to Fraser Surrey Docks (FSD) regarding the announcement on Monday, May 4, 2015 that FSD may apply for an amendment to their recently-granted permit to operate a Direct Transfer Coal Facility within its existing lease area (Attachment 1). The *Discussion Guide and Feedback Form* is available at <http://www.fsd.bc.ca/index.php/amendment/>.

A public comment period for the proposed amendment is open from May 4 to May 19, 2015. The current process is a preliminary review; should FSD decide to move ahead with the amendment application, they would be required to undertake a formal review process with Port Metro Vancouver that would include further public and stakeholder consultation. That consultation and review would occur after the updating of environmental and impact studies that supported the original permitting.

This permit amendment is intended to allow FSD to load coal directly to ocean-going vessels from their existing facility in addition to barges, and does not include any increase in volume of coal movement (i.e. 4 million tonnes per year).

The permit amendment suggests that some or all of the barge movements could be switched to the freighters. The current permit accommodates approximately 640 barges a year (two barges a day in a single tandem load). The proposed amendment suggests the shipment of coal by up to 80 freighters per year (approximately one every four to five days). The ship loader and basin being planned at the existing facility would accommodate Panamax ships with a maximum draft of 11.5 metres when loaded. This draft is equivalent to the maximum draft currently allowed in the south arm of the Fraser River, although it relies on a high tide (i.e. 3.3 metres) to achieve regulated clearance of the Massey Tunnel.

The final permit application to Port Metro Vancouver would include updates to the supporting studies, including the Human Health Risk Assessment (HHRA), Environmental Impact Assessment (EIA), Air quality Assessment (AQA), Marine Risk Assessment, Environmental Management Plan, Water Management Plan, Fire, Life Safety, and Spill plans.

May 7, 2015

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The attached draft response by staff reiterates City concerns related to the original permit application for FSD, and addresses the proposed permit amendment to switch from tug/barge to ocean-going vessel shipment of coal on the Fraser River. These comments highlight the increased risk related to fuel spills and the cumulative effects of newly-approved and pending projects that will impact the South Arm of the Fraser River, including the recently certified VAFFC Jet Fuel Terminal project, the George Massey Tunnel Replacement project, and Liquid Natural Gas terminal expansion at Tilbury. Staff will provide further updates to Council as the process develops.



Amarjeet S. Rattan
Director, Intergovernmental Relations & Protocol Unit
604-247-4686

Att. 1 Draft letter to Fraser Surrey Docks

pc: SMT
John Irving, P.Eng. MPA, Director, Engineering



City of Richmond

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May 7, 2015
File: 10-6150-01/2015-Vol 01

District Utility & Sustainability
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Fraser Surrey Docks
P.O. Box 2233, Vancouver Main
Vancouver, BC. V6B 3W2

To Whom It May Concern,

Re: Fraser Surrey Docks Feedback Forms

Thank you for this opportunity to respond to the Public Comment Period related to the *Consideration to Amend Permit No. 2021-072* for the Fraser Surrey Docks Direct Transfer Coal Facility. Please find the City of Richmond's responses to the Feedback Form listed below:

Question 1

Human Health Risk Assessment (HHRA) completed by SNC-Lavalin Inc. (Environment & Water). Please provide comments on the proposed scope of the Human Health Risk Assessment (HHRA) associated with Fraser Surrey Docks LP (FSD) proposed application to amend Permit No. 2012-072:

Response 1

The current scope for air quality and noise impact areas requires amendment to include Richmond residential areas and a redefinition of air quality parameters specific to marine vessel operations in the South Arm of the Fraser River. The HHRA must also be expanded to take into account cumulative impacts of newly-approved and pending projects that will impact the South Arm of the Fraser River, including the recently-certified VAFFC Jet Fuel Terminal project, the George Massey Tunnel Replacement project, and LNG terminal expansion at Tilbury.

Question 2

Environmental Impact Assessment (EIA) completed by SNC-Lavalin Inc. (Environment & Water). Please provide comments on the proposed scope of the EIA associated with Fraser Surrey Docks LP (FSD) proposed application to amend Permit No. 2012-072:

Response 2

The current areas of impact require an amendment to include Richmond's foreshores and the provincially-designated wetlands that constitute the South Arm Islands Wildlife Management Area.

The air quality parameters must be redefined specific to increased marine vessel operations in the South Arm of the Fraser River. The EIA must also be expanded to take into account cumulative impacts of newly-approved and pending projects that will impact the South Arm of the Fraser River, including the recently-certified VAFFC Jet Fuel Terminal project, the George Massey Tunnel Replacement project, and LNG terminal expansion at Tilbury. Further accessory effects of increased dredging (if required) to accommodate the larger ocean going vessels must also be included.

Question 3

Air Quality Assessment (AQA) completed by Levelton Consultants Ltd. Please provide comments on the proposed scope of the Air Quality Assessment (AQA) associated with the Fraser Surrey Docks (FSD) proposed application to amend Permit No. 2012-072:

Response 3

Performance-based measures and ongoing monitoring must be included in the dust control measures on site and in adjacent areas. Particulate, NO_x, SO_x, VOC, CO and CO₂ analysis related to ocean going vessel power sources (while in transit and while docked) must be included in analysis, and put into context of regional cumulative impacts of other approved and proposed projects on the lower Fraser River, be they marine (VAFFC) or land-based (LNG Plant) emission sources.

Question 4

Marine Risk Assessment – DNV (Det Norske Veritas) Please provide comments on the proposed scope of the Marine Risk Assessment associated with Fraser Surrey Docks LP (FSD) proposed application to amend Permit No. 2012-072:

Response 4

New risk models must include cumulative impacts of newly-approved and pending projects that will impact the South Arm of the Fraser River, including the recently-certified VAFFC Jet Fuel Terminal project, the George Massey Tunnel Replacement project, and LNG terminal expansion at Tilbury. Dredging or other seaway modifications must be identified, and in turn be referred to in the EIA. The introduction of additional bunker-fuelled Panamax vessels to the Fraser River must come with a re-evaluation of fuel spill response levels for this type of product.

Question 5

Environmental Management Plan (EMP) completed by Soleil Environmental Consultants Ltd. Please provide comments on the proposed scope of the Environmental Management Plan (EMP) associated with Fraser Surrey Docks (FSD) proposed application to amend Permit No. 201-072:

Response 5

Cumulative impacts of newly-approved and pending projects that will impact the South Arm of the Fraser River, as they relate to the new type of Panamax vessel being proposed must be included in the scope of the EMP. Dredging or other seaway modifications must be identified, and in turn be referred to in the EIA.

Question 6

Water Management Plan – Omni Engineering Inc. Please provide comments on the proposed scope of the Water Management Plan (WMP) associated with Fraser Surrey Docks proposed application to amend Permit No. 201-072:

Response 6

No comments.

Question 7

Fire Life Safety Plan – Hatch Mott MacDonald Please provide comments on the proposed scope of the Fire Life Safety Plan associated with Fraser Surrey Docks proposed application to amend Permit No. 201-072:

Response 7

No comments.

Question 8

Spill Response Plan – Fraser Surrey Docks LP Please provide comments on the proposed scope of the Spill Response Plan associated with Fraser Surrey Docks proposed application to amend Permit No. 201-072:

Response 8

The EIA must now account for the handling of Bunker fuels typically used by Panamax vessels, and any accessory activities (such as bunkering of docked ships), and impacts over the entire length of the South Arm of the Fraser River. Currently FSD has 275 vessel movements per year. This proposal represents an increase in vessel movements of up to 80 return trip vessel movements (a potential 29% increase in traffic). A Panamax ocean going vessel carries considerably more fuel than a the tugs used for barge operations. Not only does this proposal increase the number of vessel movements dramatically, but a marine accident with ocean going vessels will have a much greater consequence than the use of tug and barge. The recent oil spill in English Bay on April 8, 2015 highlights the significance and lasting effects of a minor spill in bunker oil from a Panamax vessel. The risk and response evaluations must be put into the context of other newly-approved and pending projects in the South Arm of the Fraser River that will result in a significant increase in ocean-going vessel transits, including the recently-certified VAFFC Jet Fuel Terminal project, the George Massey Tunnel Replacement project, and LNG terminal expansion at Tilbury.

Question 9

Please provide any additional comments you may have regarding the proposed application to amend Permit No. 2012-072.

Response 9

With recent increases in the trans-shipment of petroleum coke and the dynamic nature of the current coal industry related to decreasing prices trends and volatile regional markets, a clearer definition of the types of coal products to be trans-shipped at FSD needs to be made, as risks to

human health and the environment shift with the type of product being shipped. A clear definition of the types of coal, and sources must be included in the EIA and PMV certificate, and include well articulated requirements, clearly outlining the Proponent responsibilities and tasks to amend the commodity type or source.

The direct transfer from train to ocean going vessels presents an increased logistical risk related to the timing of coal arrival and ship availability. This may lead to an increased desire for on-site stockpiles of coal. The original permit was granted with the understanding that stockpiling was not being entertained at FSD, and the Quadra Island site would provide this supply-chain buffer. In order to reduce the risk and regional air quality concerns related to the stockpiling of coal, the City does not support the stockpiling of coal at this facility.

Yours truly,

A handwritten signature in black ink, appearing to read "Lesley Douglas", written in a cursive style.

Lesley Douglas
Manager, Environmental Sustainability
604-247-4672

LD:pj

pc: SMT