

Natural gas firms and Nisga'a Nation unite on \$55-billion fracked gas/liquefaction venture in British Columbia

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Seven natural gas producers have teamed up with the Nisga'a Nation to submit a plan to regulators for approval to build a \$55-billion energy megaproject in British Columbia, saying they have learned valuable lessons from other initiatives that have failed to materialize over the past decade.

Calgary-based Birchcliff Energy Ltd. is leading the group of producers known as Rockies LNG, which has enlisted Houston-based Western LNG LLC to help carry out plans to construct the B.C. project to export liquefied natural gas to Asia. Their **Ksi Lisims LNG** project is named after the Nass River in the Nisga'a language.

The filing to regulators by Ksi Lisims LNG doesn't provide a detailed breakdown of the costs, but the total price tag includes a wide range of items, including floating modules to supercool natural gas into liquid form. The project will rely heavily on electric-motor technology in refrigerant compressors, using electricity from BC Hydro during the liquefaction process instead of the LNG industry's traditional reliance on turbines powered by natural gas.

"As set out in the Nisga'a treaty, the Nisga'a Nation owns and controls Nisga'a lands, which includes approximately 2,000 square kilometres at the lower end of the Nass River," according to a 135-page document, dated July 2, filed by the proponents to the B.C. Environmental Assessment Office.

The proponents say they anticipate the provincial regulator will likely lead the environmental review, in a collaborative process with the Impact Assessment Agency of Canada, which will also scrutinize the proposal.

The property where the terminal would be located is called Wil Milit, situated near Pearse Island in the Portland Canal in northwestern B.C. "The project site is remote, located approximately 15 kilometres west of the Nisga'a community of Gingolx at the mouth of the Nass River," the document said.

Environmental groups maintain that companies should not be investing more money in fossil fuels such as natural gas, saying the focus must shift immediately to renewable energy.

But Ksi Lisims LNG said natural gas makes sense as a transition fuel to help displace coal in Asia at many electricity generation plants. "Exporting LNG from Canada adds natural gas supply to the global gas market, enabling governments to phase out coal use and to supply growing energy demand," the filing by Ksi Lisims LNG said.

Eva Clayton, the elected president of the Nisga'a, signed an accord in 2019 called the First Nations Climate Initiative. She has said the Nisga'a want economic growth while still supporting climate action and setting a goal of net-zero carbon emissions.

Backers of Ksi Lisims LNG are striving to make a final investment decision in early 2024, believing they have learned lessons to avoid the missteps from false starts at other projects in B.C. over the years. The goal is to begin exporting LNG in late 2027, with the project expected to run for at least 30 years.

Over the past decade, about 20 proposals in B.C. to ship LNG in tankers to markets overseas have fizzled. Despite much hype, only the Royal Dutch Shell PLC-led LNG Canada consortium is currently constructing a terminal to export the fuel to Asia. LNG Canada hopes to begin exports in 2025 from its \$18-billion terminal, located on an industrial site on the Haisla Nation's traditional territory in Kitimat, B.C.

Ksi Lisims LNG's filing to regulators discloses that two pipeline plans, intended for now-defunct LNG projects, will be re-examined. TC Energy Corp. designed one of the routes while Enbridge Inc. did the other. The strategy is to select one of the pipeline designs and reconfigure the route so natural gas is transported from northeastern B.C. to Wil Milit. The initial proposals by TC Energy and Enbridge have routes that end in the Prince Rupert, B.C., region, which is roughly 80 kilometres south of Wil Milit as the crow flies.

TC Energy's Prince Rupert Gas Transmission proposal originally envisaged moving [fracked] natural gas from northeastern B.C. to Lelu Island. But that route concept got shelved in 2017, after Malaysia's state-owned Petronas cancelled plans to build an export terminal on Lelu Island.

Enbridge's Westcoast Connector Gas Transmission project had been targeted initially to transport natural gas to BG Group PLC's Prince Rupert LNG project on Ridley Island. But Royal Dutch Shell acquired BG Group in 2015 and scrapped plans for Prince Rupert LNG in 2017.

Work has been continuing on the TC Energy-operated Coastal GasLink pipeline, which will transport natural gas from northeastern B.C. to LNG Canada's Kitimat terminal site.

A group of Wet'suwet'en Nation hereditary chiefs has led a campaign to oppose Coastal GasLink, which crosses the Wet'suwet'en's traditional territory. TC Energy and Enbridge say they have designed routes that would not cross that territory.

Prince Rupert Gas Transmission and Westcoast Connector Gas Transmission both already hold valid environmental assessment certificates, said Ksi Lisims LNG, which is being developed by Rockies LNG and Western LNG in partnership with the Nisga'a. "The project will contribute to economic reconciliation by recognizing and implementing the Nisga'a Nation's authority over economic development on lands they own," according to the document filed by the proponents.

The seven members of Rockies LNG are Birchcliff Energy Ltd., ARC Resources Ltd., Advantage Oil & Gas Ltd., Peyto Exploration & Development Corp., NuVista Energy Ltd.,

Paramount Resources Ltd., and Bonavista Energy Corp. ARC inherited Seven Generations Energy Ltd.'s role after acquiring the producer this year.

While Ksi Lisims LNG would be a large project at 12 million tonnes a year of LNG production, two other proposals considered by industry analysts to be still viable in B.C. are much smaller. One is the Cedar LNG partnership in Kitimat between Pembina Pipeline Corp. and the Haisla, with the project going through a regulatory review. The other proposal seen as a possibility is Woodfibre LNG, which has plans to build an LNG terminal near Squamish, located 65 kilometres north of Vancouver.