

Ministerial Response to the Regional Assessment Committee Report for Offshore Exploratory Drilling East of Newfoundland and Labrador

On February 29, 2020, the Committee responsible for conducting the Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador submitted its [final Report](#) to the Governments of Canada and Newfoundland and Labrador. This document details the response to the Report by the Ministers responsible for taking action related to the Committee recommendations.

Introduction

Responsibility for the Canada-Newfoundland and Labrador offshore area is shared by the federal and provincial governments through a unique joint management relationship. The *Canada-Newfoundland and Labrador Atlantic Accord Implementation Act* and mirror provincial legislation (the Accord Acts) establish the legal framework under which joint management is achieved. For over 30 years, as the independent joint regulator, the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB) has administered the regulatory regime. Its objective is to ensure the health and safety of workers and the protection of the environment prior to the issuance of regulatory authorizations for any offshore activities.

To further strengthen environmental protection in the offshore, the C-NLOPB, the Impact Assessment Agency of Canada, Natural Resources Canada, the Government of Newfoundland and Labrador, Department of Natural Resources, Fisheries and Oceans Canada, and Environment and Climate Change Canada will work closely together to implement the commitments outlined below in this Ministerial Response. This includes operationalizing the Regulations Respecting Excluded Physical Activities (Newfoundland and Labrador Offshore Exploratory Wells) (Ministerial Regulation) and addressing the recommendations from the Regional Assessment Committee Report that fall outside of the Ministerial Regulation.

The Regional Assessment

Background

On April 15, 2019, federal Ministers of the Environment and Climate Change and of Natural Resources—together with the Newfoundland and Labrador Ministers of Natural Resources and of Intergovernmental and Indigenous Affairs—entered into an Agreement that launched the Regional Assessment of Offshore Oil and Gas Exploratory Drilling East of Newfoundland and Labrador. This assessment commenced under the *Canadian Environmental Assessment Act, 2012*. It transitioned to the authority of the federal *Impact Assessment Act* when that Act came into force on August 28, 2019. It was the first regional assessment to be completed under federal impact assessment legislation in Canada.

The Agreement to conduct the Regional Assessment established the:

- procedures and timelines for the process,
- factors to be considered in the assessment, and
- Terms of Reference for the five-member Committee appointed by the Minister of the Environment and Climate Change, in consultation with the other Ministers that were signatories to the Agreement.

The Agreement and Terms of Reference were informed by input from the public, regional experts, and Indigenous peoples. The Agreement identified that the Committee would be supported by a Task Team and advised by a diverse range of interests through a Technical Advisory Group.

Purpose of the Regional Assessment

The purpose of the Regional Assessment was to improve the effectiveness and efficiency of the federal environmental assessment process when applied to offshore oil and gas exploration drilling in the Study Area. This process was designed to ensure that the highest standards of environmental protection are applied in the Study Area. At the same time, this process creates a more predictable and timely regulatory process for future offshore projects for their investors. This Regional Assessment process allowed the Government of Canada to collect information that enables a credible, evidence-based exclusion of offshore exploratory wells (in the Regional Assessment-defined Study Area) from undergoing project-specific federal impact assessment. This may only occur when a proposed project conforms to the conditions set out in the Ministerial Regulation.

Indigenous and public engagement

As directed in the Agreement, the Committee immediately began to engage with Indigenous groups and others with knowledge relevant to the Regional Assessment, or whose interests and use of resources might be affected by exploratory drilling in the Study Area. Throughout the Regional Assessment process, the Committee engaged with 41 Indigenous groups in the region and numerous stakeholder groups to identify and understand concerns, seek feedback and collaborate on parts of the process.

The Committee launched an extensive advertising campaign in July 2019, using local print, radio and online media. This campaign encouraged public participation in the Regional Assessment and helped the Committee collect contact information. Advertisements ran online, and in seven newspapers and on five radio stations throughout Newfoundland and Labrador. Throughout the process, the Impact Assessment Agency of Canada's Twitter channel was also used to encourage participation in the Regional Assessment. Twitter posts displayed links to the online Canadian Impact Assessment Registry and shared public notices and event announcements.

The Committee received hundreds of written reports, letters, comment forms and literature suggestions over the course of its mandate and posted these submissions to the online Registry. The Committee held 18 meetings with Indigenous groups, including Indigenous Knowledge Technical Advisory Group Sessions and Indigenous Knowledge Workshops. Meetings were also held with stakeholders, including: environmental interest groups; fishing and oil and gas industry representatives; academic and research institutions, and; federal and provincial government departments and agencies.

Regulatory Regime

Modernization of Canada's Offshore Oil and Gas Regime

The Ministerial Regulation is one component of a broader federal and provincial undertaking to modernize Canada's offshore oil and gas regime to align with comparable offshore jurisdictions, strengthen environmental performance and operational safety, and improve sector competitiveness.

This work includes:

- updates to standardize the land tenure process in offshore areas,

- ongoing work to modernize operational regulations that govern Canada’s frontier and offshore oil and gas sector, and
- the development of permanent Occupational Health and Safety Regulations under the Accord Acts.

Under the Accord Acts, the C-NLOPB works closely with proponents and provincial and federal departments and agencies such as the Impact Assessment Agency of Canada, Fisheries and Oceans Canada, Environment and Climate Change Canada, Transport Canada, and Natural Resources Canada. Together, they ensure that oil and gas activities, including exploratory drilling, adhere to all applicable standards, guidelines, and regulatory and legislative requirements. Agreements are in place between the C-NLOPB and provincial and federal departments and agencies to ensure the effective cooperation, planning, review, monitoring and follow up of offshore activities, including environmental protection. Building on these relationships, the C-NLOPB and Fisheries and Oceans Canada intend to develop an Agreement outlining how the two parties will work together with respect to offshore oil and gas activities proposed in other effective area-based conservation measures, such as marine refuges.

Requirements to be met prior to the commencement of a project

In the Canada-Newfoundland and Labrador offshore, no exploratory drilling activities can proceed unless the C-NLOPB has issued authorizations under the Accord Acts. This includes Operations Authorizations (OA) and approvals to drill specific wells. For projects excluded from assessment under the *Impact Assessment Act* through the Ministerial Regulation, the C-NLOPB has indicated that it would not issue these authorizations unless a proponent has demonstrated compliance with all required conditions prior to the start of a drilling program. All conditions that must be met by proponents in the Ministerial Regulation could be incorporated by the C-NLOPB as a requirement of their OA. Under the Accord Acts, the C-NLOPB is responsible for the enforcement and compliance of any conditions incorporated into its Operations Authorization, including conditions related to a follow-up program for drilling activities.

The regulatory authorities under the *Impact Assessment Act* enable the Minister of Environment and Climate Change Canada to establish the conditions that must be met for a proposed project. The Minister has also set out the information that must be provided by the proponent to the Impact Assessment Agency of Canada, in respect to that proposed activity (paragraph 112(1)(a.2) of the Act).

With the Regulation in place, a proponent must inform the Impact Assessment Agency of Canada in writing that it intends to carry out a physical activity designated under the Regulation (ss. 112(3) of the Act). The conditions set out in the Regulation must be met in order for the prescribed physical activity to no longer be a designated project subject to the requirements of the Act. Proponents will be required to demonstrate compliance throughout the lifecycle of their projects.

Committee Recommendations in Relation to the Regulation

The Regional Assessment Committee for Offshore Exploratory Drilling East of Newfoundland and Labrador (the Committee) concluded that the effects of offshore oil and gas exploratory drilling are well understood. Effects entail minor, localized and temporary disturbances, and are unlikely to be significant with the implementation of standard mitigation measures.

The Committee recommended that measures outlined in recommendations 1 to 11, 14 and 31 be incorporated into the Ministerial Regulation as specific requirements for all future exploratory drilling

activities in the Regional Assessment Study Area seeking exclusion from federal impact assessment requirements.

The Ministers agree with recommendations 1 to 11, 14 and 31 of the Committee, with the noted exceptions or additions in the responses below, and have incorporated the measures into the Ministerial Regulation.

Mitigation and follow-up measures

COMMITTEE RECOMMENDATION 1 — The various mitigation and follow-up measures that have been included as conditions of environmental assessment (EA) approval for recent exploratory drilling projects in the Study Area under the Canadian Environmental Assessment Act, 2012 (CEAA 2012) (as summarized earlier in Section 4.5) should be requirements for all future exploratory drilling projects in the Study Area (Section 4.6.1).

MINISTERIAL RESPONSE—The Ministers accept this recommendation. The Ministerial Regulation includes provisions that address the mitigation and follow-up measures that have been included as conditions in recent environmental assessment decision statements for exploratory drilling projects. It also includes provisions related to additional mitigation measures identified in the Regional Assessment Committee Report summary from section 4.5. The Ministerial Regulation has been drafted in a way that some of the conditions of approval for recent projects have been combined and re-ordered. The Ministerial Regulation, however, captures the full spirit and intent of these conditions. To implement these mitigation and follow-up measures effectively, the Ministerial Regulation also includes other conditions found in recent decision statements. This includes the requirement to engage or notify Indigenous groups, and record keeping requirements. See sections 1 to 41 of the Ministerial Regulation under Schedule 2.

Trained seabird observers

COMMITTEE RECOMMENDATION 2—Operators undertaking exploratory drilling activity in the Study Area should be required to assign trained (to Environment and Climate Change Canada – Canadian Wildlife Service (ECCC-CWS) standards, once finalized) and experienced seabird observers on drill rigs and supply vessels, whose primary responsibility is to make observations and collect seabird survey data during these activities (Section 4.6.1).

MINISTERIAL RESPONSE—The Ministers accept this recommendation. Environment and Climate Change Canada will work with the C-NLOPB to develop a standard training program for seabird observers on drilling installations and support vessels. Before the end of March 2021, Environment and Climate Change Canada will complete the guidance required to support the development of a training program. It will also provide a definition of “trained observers” to ensure that a consistent approach is applied across all facilities and vessels in the Canada-Newfoundland and Labrador offshore.

Provisions associated with seabird observers and training are included in the Ministerial Regulation. See sections 7(a), 7(b) and 21(m) of the Ministerial Regulation under Schedule 2.

Fisheries communications plans

COMMITTEE RECOMMENDATION 3—Operators be required to prepare and submit their Fisheries Communication Plan at the time of, and as part of, their application for an Operations Authorization

(OA) from the Canada-Newfoundland and Labrador Offshore Petroleum Board (C-NLOPB), to ensure its timely development and implementation. The communication measures outlined in that Plan should be implemented throughout the OA review and approval process, as well as during the planning and conduct of the proposed exploratory drilling program in question (Section 4.6.1).

MINISTERIAL RESPONSE—The Ministers accept this recommendation. The recommendation is generally consistent with the requirements of recent project-specific decision statements for domestic fisheries and is included as a provision in the Ministerial Regulation. See section 4 of the Ministerial Regulation under Schedule 2.

A proponent will be required to develop and implement a fisheries communications plan in consultation with the C-NLOPB, Indigenous groups and commercial fishers prior to the start of a drilling program. The plan will outline how communications will take place during all phases of the activity, from drilling to abandonment.

The C-NLOPB will review the fisheries communications plan as part of the Operations Authorization approval process. This review will explore any implications and determine whether additional information is required to be consistent with this recommendation.

Fisheries and Oceans Canada has identified that there has been a Northwest Atlantic Fisheries Organization Information Exchange Protocol in place since 2015. International fishing fleets operating in the Northwest Atlantic Fisheries Organization Regulatory Area will continue to be informed of oil and gas activities through this protocol. This includes information about offshore exploratory drilling that occurs in a Northwest Atlantic Fisheries Organization Vulnerable Marine Ecosystem Closed Area.

Pre-drilling notification

COMMITTEE RECOMMENDATION 4—Operators commence the notification process [of Indigenous groups and commercial fishers] at least two months prior to starting a well (as opposed to the two weeks notice that has previously been specified), and provide subsequent updates and information as these become available. Operators should also be required to demonstrate that (and how) they will provide more timely notifications to these parties regarding planned rig movements (Section 4.6.1).

MINISTERIAL RESPONSE—The Ministers accept this recommendation. It is appropriate for the proponent to provide timely notifications to Indigenous groups and commercial fishers of planned drilling activity and of rig movements. The Ministerial Regulation includes a provision for this notification to be provided as part of the fisheries communications plan. It is to be shared a minimum of two months before the start of the drilling of each well. Subsequent updates and information are to be provided as they become available. See section 4 of the Ministerial Regulation under Schedule 2.

Further, the C-NLOPB commits to maintaining an updated list of stakeholders—in consultation with the Governments of Canada and Newfoundland and Labrador—to ensure that communications from proponents, as outlined in the Ministerial Regulation, reaches all parties in a timely manner. Additionally, section 40 (a) under Schedule 2 requires proponents to make available the fisheries communications plan (referred to in section 4 of Schedule 2 of the Ministerial Regulation), and to notify Indigenous groups of the availability of this plan.

Migratory birds mitigation

COMMITTEE RECOMMENDATION 5—Operators be required to demonstrate concrete, measurable steps to minimize light attraction effects on migratory birds (including the additional mitigation and monitoring requirements outlined previously in Section 4.6) (Section 4.6.1).

MINISTERIAL RESPONSE—The Ministers accept this recommendation and it has been incorporated into the Ministerial Regulation. As part of the required mitigation measures to avoid harming, killing or disturbing migratory birds, proponents will be required to undertake certain measures related to light effects. For example, controlling lighting requirements during the activity, and documenting the effectiveness of any measures intended to mitigate light attraction. See sections 21(e) and 21(h) of the Ministerial Regulation under Schedule 2.

Seabird monitoring

COMMITTEE RECOMMENDATION 6—In addition to observer-based monitoring, operators should incorporate new technologies (e.g. radar, infrared imaging, high definition aerial surveys, telemetry studies, etc.) as they become available into their seabird monitoring programs to complement research on, and mitigation of, light attraction (Section 4.6.1).

MINISTERIAL RESPONSE – The Ministers accept this recommendation and it has been incorporated into the Ministerial Regulation. See section 21(l) of the Ministerial Regulation under Schedule 2.

Training on seabird strandings

COMMITTEE RECOMMENDATION 7—Operators include general awareness regarding seabird strandings as part of their overall training / orientation programs for offshore workers (Section 4.6.1).

MINISTERIAL RESPONSE—The Ministers accept this recommendation and it has been incorporated into the Ministerial Regulation. See section 21(m) of the Ministerial Regulation under Schedule 2.

Activities in marine refuges and closure areas

COMMITTEE RECOMMENDATION 8—For any future exploratory drilling activities in the Study Area that are proposed to occur within a currently defined Marine Refuge (Fisheries and Oceans Canada, DFO) or a Northwest Atlantic Fisheries Organization (Northwest Atlantic Fisheries Organization, NAFO) Fisheries Closure Area, any exemption from the federal IA process be contingent on the operator demonstrating that any risks to intended biodiversity / conservation outcomes of that area will be avoided or mitigated.

Specifically, it is recommended that the operator be required to outline, in its project notification to the Impact Assessment Agency of Canada (IAAC) (see Section 8.1.2 below), its plans (to be developed in consultation with DFO) to address any effects of these activities on the various environmental characteristics and sensitivities present within the special area(s). In the case of a Marine Refuge, it is recommended that the operator be required to provide evidence in that submission that the Minister of DFO is satisfied that that risks to intended biodiversity outcomes are avoided or mitigated, and that this determination by DFO be made on clearly defined criteria which should be clearly referenced in the above (Section 4.6.2).

MINISTERIAL RESPONSE—The Ministers accept this recommendation with the following supplements:

1. The Ministerial Regulation will extend this protection to all “other effective area-based conservation measures” in the marine environment (of which marine refuge is one example) and Northwest Atlantic Fisheries Organization Vulnerable Marine Ecosystem Closed Areas.
2. To mitigate risks of projects proposed to occur in a federal Marine Refuge or within an alternate form of other effective area-based conservation measure (OECM), the proponent will be required to develop an OECM Plan in consultation with Fisheries and Oceans Canada. The proponent will provide Fisheries and Oceans Canada with a final copy of the OECM Plan (see section 14 of the Schedule 2 of the Ministerial Regulation). To further enhance the efficacy of the OECM Plan, Fisheries and Oceans Canada and the C-NLOPB have agreed to pursue amendments to the existing Memorandum of Understanding to require Fisheries and Oceans Canada to endorse the OECM Plan. This approach will afford Fisheries and Oceans Canada the opportunity to endorse the activity prior to the C-NLOPB issuing relevant regulatory approvals for the proposed exploratory drilling program. In doing so, Fisheries and Oceans Canada would take into account current, updated information set out within an OECM Plan that has already been consulted on.
3. With respect to measures for mitigating risks, and the process for determining the measures to be implemented, the most recent project-specific decision statement includes conditions that address the Committee’s recommendation. See *Newfoundland Orphan Basin Exploration Drilling Project* issued February 12, 2020. These conditions require proponents to conduct, in collaboration with the C-NLOPB and Fisheries and Oceans Canada, a seabed investigation survey to confirm the presence or absence of sensitive features. If the survey confirms their presence, proponents will be required to change the location of the anchor(s) or well on the seafloor, or redirect drill cuttings discharges to avoid affecting these features. If it is not technically feasible to change location or redirect discharges, proponents will be required to consult with the C-NLOPB and Fisheries and Oceans Canada to determine the appropriate course of action. These conditions are incorporated into the Ministerial Regulation in sections 12 and 13 of Schedule 2. Proponents will be required to meet those conditions prior to commencing any drilling activities. The embedding of these requirements in regulatory conditions will ensure these sensitive components of the environment, in the Regional Assessment Study Area, are protected. Further, the proposed conditions align with how proponents plan their projects and work with regulators such as the C-NLOPB and Fisheries and Oceans Canada, to demonstrate compliance.
4. As proposed by the Committee, the proponent will also be required to provide a copy of any mitigation measures it has proposed to Fisheries and Oceans Canada if it is carrying out activities in Northwest Atlantic Fisheries Organization Vulnerable Marine Ecosystems Closed Areas. This information would be provided at the time the project notification is submitted to the Impact Assessment Agency of Canada. See paragraph 3(l) of the Ministerial Regulation. These measures, along with the results of the seabed survey, will form the basis for discussions with the C-NLOPB and Fisheries and Oceans Canada to determine the appropriate course of action as per sections 12 and 13 of Schedule 2 of the Ministerial Regulation.

Consultation in regulatory development

RECOMMENDATION 9—The Committee recommends that the IAAC consult with applicable government departments and agencies, Indigenous and stakeholder groups and the public in the development of the above referenced Ministerial Regulation.

MINISTERIAL RESPONSE—The Ministers accept this recommendation. The Impact Assessment Agency of Canada developed the Ministerial Regulation in collaboration with Environment and Climate Change Canada, Fisheries and Oceans Canada, and Natural Resources Canada, and in consultation with the Government of Newfoundland and Labrador and the C-NLOPB. The Government of Canada sought the views of Indigenous peoples, the public and stakeholders during regulatory development. Through a comment period and consultation with Indigenous groups on the *Discussion Paper on a Ministerial Regulatory Proposal to Designate Offshore Exploratory Drilling in the Offshore East of Newfoundland and Labrador for Exclusion*, the Impact Assessment Agency of Canada sought views on the proposed elements to be included in the Ministerial Regulation. The comment period was initially 30 days during the month of March but was extended to the end of April in light of circumstances surrounding COVID-19. Engagement and consultation will also be a key aspect in future reviews of the Ministerial Regulation.

During the consultation period, several engagement activities were organized by the Agency with Indigenous groups and stakeholders. The Agency met with 27 Indigenous groups, eight environmental non-governmental organizations and 11 representatives of industry. Overall, the Agency received 50 full submissions: 24 from Indigenous groups, 13 from environmental non-governmental organizations, two from industry representatives and 11 from individuals (including academics and consultants). The Impact Assessment Agency of Canada also received 218 on-line comments mostly from individuals.

Notification requirements

RECOMMENDATION 10—It is therefore recommended that any such regulation, and the associated procedures for seeking and confirming such an exemption, include and address the following:

- a) **The operator seeking such an exemption be required to provide a notification and description of its proposed exploratory drilling activities to the IAAC.**
- b) **In that submission, the operator provide details clearly demonstrating its planned compliance with the conditions for exemption as outlined in that regulation (or demonstrated equivalencies for any measures that are clearly shown to be not technically or economically feasible for that particular program). The operator must also demonstrate that it has undertaken engagement with Indigenous and stakeholder groups on the planned exploratory drilling program in question, including describing the nature and outcomes of that engagement.**
- c) **This submission by an operator be announced publicly and made available by the IAAC on its Registry for a 30-day public review period within which all interested parties will have the opportunity to provide input to the IAAC in making the determination referenced below.**
- d) **Once a determination has been made by the IAAC whether or not the proposed exploratory drilling program in question is in conformance with the regulation (and thus, whether it is or is not exempt from federal IA requirements), a notification of this outcome be announced publicly and made available by the IAAC on its Registry.**

MINISTERIAL RESPONSE—The Ministers accept this recommendation with the following modifications. Proponents of projects that are described in the Ministerial Regulation are required (under subsection 112(3) of the Act) to notify the Impact Assessment Agency of Canada in writing that they intend to carry out the project and include in the notification the information requirements set out in the Ministerial Regulation. Section 3 of the Ministerial Regulation outlines the information that a proponent must provide to the Agency at least 90 days before the beginning of the drilling program.

Section 3 of the Ministerial Regulation includes the Committee’s recommended information (including the information about engagement with Indigenous groups), with the exception of details demonstrating the proponent has planned compliance with the conditions. Instead, the proponent will be required to demonstrate compliance with the conditions of the Ministerial Regulation throughout the lifecycle of the project (see Schedule 2).

On receipt of the notice, the Impact Assessment Agency of Canada will verify that the proposed project type is designated by the Ministerial Regulation. This means the proposed project: meets the description under section 34 of the Annex of the *Physical Activities Regulation*; is located within the geographical area covered by the Ministerial Regulation; and that all information requirements for the notification have been provided. The Impact Assessment Agency of Canada will then post the notification on the Impact Assessment Registry Internet site to inform the public, Indigenous groups and stakeholders that the project is being proposed. Considering that the regulatory conditions to be met will be forward-looking, the proponent will be required to demonstrate compliance throughout the lifecycle of the project (i.e., before, during and after drilling).

Application of the exclusion

RECOMMENDATION 11—If, as described above, a determination is made that a proposed drilling program is in conformance with the regulation and thus is exempt from federal impact assessment requirements, it is recommended that such an exemption be linked to a defined time period, such as for the duration of the Exploration Licence in question. This will help allow the operator to plan and implement its drilling program with early and on-going clarity on its obligations, even in the event that there is a future change to the regulation.

MINISTERIAL RESPONSE—The exclusion will apply to activities as described in the *Physical Activities Regulations*, namely offshore exploratory wells in the first drilling program as set out in the exploration license(s) provided by the C-NLOPB. Any future changes to the Ministerial Regulation would also include transitional provisions related to projects that were under consideration at the time.

Review of the Ministerial Regulation

RECOMMENDATION 14—It is recommended that the above referenced Ministerial Regulation be reviewed and updated as required based on the availability of new information or analysis obtained through an update to this Regional Assessment. The process for updating the regulation should include consultation with Indigenous and stakeholder groups and the public.

MINISTERIAL RESPONSE—The Ministers accept this recommendation. The Ministerial Regulation will be reviewed periodically, and at the latest within five years, to:

- consider any new or emerging cumulative effects,

- ensure that the highest standards of environmental protection continue to be maintained over time, and
- ensure the effectiveness of the streamlined process for the approval of these projects.

With the support of the federal departments and Government of Newfoundland and Labrador, the Impact Assessment Agency of Canada commits to considering the outcomes of the Regional Assessment Follow-up Program in the reviews—and subsequent revisions, if applicable—of the Ministerial Regulation.

The Government of Canada is committed to engaging to receive the views of Indigenous peoples, the public and stakeholders during regulatory development. Engagement will be a key aspect in future reviews of the Ministerial Regulation.

Adequate and appropriate modelling

RECOMMENDATION 31—For any proposed exploratory drilling projects in the Study Area that do not require project-specific IA review under the Impact Assessment Act as a result of this Regional Assessment, it is recommended that the C-NLOPB continue to ensure that adequate and appropriate modelling is completed or otherwise in place regarding: a) drill cuttings and their dispersion, and b) the predicted fate and behaviour of potential petroleum spills, and that these be included as part of its authorizations and approvals processes for the drilling program in question (Section 4.6.3).

MINISTERIAL RESPONSE—The Ministers accept this recommendation. As per sections 6(b) and 32(a) in Schedule 2 of the Ministerial Regulation, proponents will be required to undertake adequate and appropriate modelling regarding:

- drill cuttings and their dispersion, and
- the predicted fate and behavior of potential oil spills.

The Ministers note that spill modelling is required for exploratory projects in comparable offshore jurisdictions, such as Norway, the United Kingdom and Australia. Proponents will be required to work with others to determine the requirements for spill modelling. Organizations to be consulted include the C-NLOPB, Fisheries and Oceans Canada, Environment and Climate Change Canada, and Natural Resources Canada.

Ministerial Response—Regional Assessment Follow-up Program

The Ministers determined that a Regional Assessment Follow-up Program will be designed and implemented to consider new and emerging information that may impact cumulative effects, ensure the highest standards of environmental protection continue to be maintained over time, and verify the accuracy of the regional assessment predictions and the effectiveness of the mitigation measures. The Regional Assessment Follow-up Program will ensure that the Regional Assessment remains valid and up to date, and is fulfilling its intended function of informing decision-making. Participant and Indigenous funding will be provided by the Impact Assessment Agency of Canada to support the development and implementation of the Regional Assessment Follow-up Program.

The Regional Assessment Follow-up Program is distinct and separate from any follow-up requirements of the C-NLOPB as part of its licencing processes.

The Impact Assessment Agency of Canada will lead the collaborative development and implementation of the Regional Assessment Follow-up Program. It will work:

- in partnership with
 - Indigenous groups,
 - the fishing and oil and gas industries,
 - non-government organizations and the public,
- and with the support of
 - Natural Resources Canada,
 - the Government of Newfoundland and Labrador,
 - C-NLOPB, and
 - federal authorities.

The framework for the Regional Assessment Follow-up Program will be finalized before the end of March 2021.

As part of the Regional Assessment Follow-up Program, the Impact Assessment Agency of Canada will lead the collaborative review of the commitments in this Ministerial response. The outcomes of the review will be tracked and reported annually in a Regional Assessment Ministerial Response Progress Report. An action plan will be developed and implemented for any commitments that are not being/have not been met. The first Progress Report will be publicly released before the end of March 2021 along with the framework for the Regional Assessment Follow-up Program.

Principles for consideration

In the development of the Regional Assessment Follow-up Program and in its implementation, the following principles that were highlighted by the Regional Assessment Committee will be considered and applied:

- Coordinated focus on the objectives of the Regional Assessment Follow-up Program,
- Long-term commitment and investment of the signatories to the Regional Assessment Agreement in maintaining the GIS decision-support tool, and in keeping the Regional Assessment outcomes relevant in an evolving offshore environment and industry,
- Sustainable capacity for the participation of Indigenous groups to ensure that Indigenous views are reflected with western science through “Two-eyed Seeing”,
- Accommodation of the broad range of interests in the Regional Assessment,
- Need to appropriately apply updates and improvements to the Regional Assessment Follow-up Program,
- Ensure that information is available and accessible, and
- Provide clear deliverables and opportunities for incorporating feedback into the Regional Assessment Follow-up Program.

Components of the Follow-up Program

In the design of the Regional Assessment Follow-up Program and in its implementation, the following components will be included:

- Terms of reference detailing the Regional Assessment Follow-up Program’s;
 - objectives,
 - governance structures,
 - legislated authorities,

- funding,
- roles and responsibilities of the participants, and
- any oversight, advisory, or other body that will have a role in the Regional Assessment Follow-up Program, or the Regional Assessment Ministerial Response Progress Report process;
- Timing of activities;
- Mechanisms for updating the Regional Assessment Follow-up Program;
- Engagement processes and provisions; and
- Reporting, communications and information management mechanisms.

Specific Responses to the Committee Recommendations Applicable to the Regional Assessment Follow-up Program

Annual Follow-up Program Report

RECOMMENDATION 13—It is recommended that the Regional Assessment (including its associated Geographic Information System (GIS) decision-support tool) must be viewed and used as a “living” and “evergreen” product that is reviewed annually and updated as required, which should include identifying and incorporating new or updated information that is relevant to the assessment (Section 3.5.1).

MINISTERIAL RESPONSE—The Ministers agree that the outputs of the Regional Assessment—including the GIS decision-support tool, predictions of effects and mitigation measures—shall be reviewed and updated as new and revised information becomes available. The Impact Assessment Agency of Canada, with support from Natural Resources Canada, Government of Newfoundland and Labrador, C-NLOPB and the federal authorities, commits to providing details of the review and updating initiatives in an annual Regional Assessment Follow-up Program report.

Long-term plan for the GIS decision-support tool

RECOMMENDATION 15—It is recommended that within four months of the submission of the Regional Assessment Committee’s Final Report, the Parties that were signatories to the Regional Assessment Agreement develop and publicly communicate their plans for the long-term housing, maintenance and use of the Regional Assessment and its associated GIS decision-support tool to Indigenous and stakeholder groups. This should include the development and implementation of clearly defined and documented procedures for future updates to the Regional Assessment, including: a) specifying the roles and responsibilities of other government departments and agencies in such updates through detailed and binding MOUs and associated annual workplans; b) associated data standards and protocols; and c) ensuring that adequate funding and resources are available and committed to by all responsible organizations.

MINISTERIAL RESPONSE—The Ministers agree that the parties that were signatories to the Regional Assessment Agreement shall develop and publicly communicate their plans for the long-term housing, maintenance and use of the GIS decision-support tool to Indigenous and stakeholder groups. These plans will be publicly released as part of the initial annual Regional Assessment Ministerial Response Progress Report before the end of March 2021.

Ministerial Response Progress Report

RECOMMENDATION 16—The Committee also recommends that all parties with responsibility for one or more recommendations of this Regional Assessment provide regular (annual) updates on the status and implementation of these.

MINISTERIAL RESPONSE—The Ministers agree that all of the commitments of parties, as outlined in this Ministerial Response document, shall be tracked and publicly reported in the annual Regional Assessment Ministerial Response Progress Report as part of the Regional Assessment Follow-up Program. This report is to be released before the end of March each year.

Reviews and reports

RECOMMENDATION 17—It is recommended that a “Regional Assessment Oversight Committee” be established to provide an on-going and consistent oversight and advisory function for the use and future updating of this Regional Assessment. The Committee should be established before the finalization and use of the Ministerial Regulation (see Section 8.1) and specifically, before future exploratory drilling projects are exempt from IA requirements as a result of such a regulation. This Committee should report to senior representatives of each of the Parties that were signatories to the Regional Assessment Agreement, and be supported by IAAC staff, and will provide advice on and help guide (Section 4.6.4):

- a) The annual review and updating of the Regional Assessment, and the consideration and incorporation of these updates in the review and updating of the associated Ministerial Regulation (as required);
- b) Tracking and reporting annually on the progress of the implementation of the Regional Assessment recommendations;
- c) The maintenance and further development of the GIS decision-support tool, including its associated datasets and analytical functionality; and
- d) Reviewing, evaluating and providing advice on the IAAC’s overall Regional Assessment procedures and policies, as informed by the experiences of and any associated lessons learned from this assessment, as well as the manner and effectiveness with which these assessments are being used to inform decision-making.

MINISTERIAL RESPONSE—The Ministers agree that:

- a) The outputs of the Regional Assessment—including the GIS decision-support tool, predictions of effects and mitigation measures—shall be reviewed and updated as part of the Regional Assessment Follow-up Program and will be reported on annually. All relevant information will also be considered in the context of the periodic review of the Ministerial Regulation.
- b) All of the commitments of parties, as outlined in this Ministerial Response document, shall be tracked and publically reported in the annual Regional Assessment Ministerial Response Progress Report. This report will be released before the end of March each year, with the first report being released in March 2021.
- c) The Regional Assessment Follow-up Program will detail requirements for the maintenance and further development of the GIS decision-support tool, including its associated datasets and analytical functionality.

Incorporating diverse perspectives

RECOMMENDATION 18—It is recommended that this Committee comprise a variety of interests and areas of expertise, including persons that bring expertise and perspectives from various related interests, including Indigenous groups, the fishing and oil and gas industries and environmental organizations, selected through established, merit based, application processes. The Oversight Committee should be appropriately resourced, funded and supported, and should have established links with other IAAC advisory committees, including the Indigenous Advisory Committee and the Technical Advisory Committee on Science and Knowledge (Section 4.6.4).

MINISTERIAL RESPONSE—The Ministers agree that participants in the Regional Assessment Follow-up Program should reflect a diversity of perspectives. Governance of any oversight or advisory body that participates in the Follow-up Program will be defined through the development of the Program.

Use of studies and scientific reviews

RECOMMENDATION 19—In the course of completing its work, the Committee has become aware of a number of on-going or planned studies or scientific reviews that should be incorporated into future updates of the Regional Assessment immediately upon their completion (see earlier list in Section 3.5) (Section 3.5.1).

MINISTERIAL RESPONSE—The Ministers agree that certain studies and reviews will be considered for appropriate action as detailed in the Regional Assessment Follow-up Program. These include on-going or planned studies or scientific reviews identified in the Regional Assessment Committee Report, and any other appropriate study or scientific review (or their outcomes). This work will be done in accordance with government policies for Scientific Data. This process will also respect the needs of research scientists to publish novel data and analyses in scientific peer-reviewed literature.

Committee Recommendations for Specific Departments or Agencies

The following recommendations of the Committee—and the Ministerial commitment(s) to the specific recommendations—will be considered in the development of the Regional Assessment Follow-up Program. Progress on the commitments will be tracked and reported on as a component of the Regional Assessment Ministerial Response annual report.

Scope of factors for assessment of designated projects

RECOMMENDATION 12—For any proposed exploratory drilling activities in the Study Area that are not in conformance with the aforementioned regulation, and are thus considered to be a designated project that requires individual IA review, it is recommended that this project-specific IA be scoped to focus on the particular issue(s) that led to requiring this impact assessment (namely, the specific area of non-conformity with the conditions for exemption as outlined in the regulation). This scoping should be clearly reflected in and facilitated through the eventual project-specific guidelines developed and issued by the IAAC.

MINISTERIAL RESPONSE—The Ministers agree with this recommendation. The impact assessment of a designated project must take into account the factors specified in subsection 22(1) of the *Impact Assessment Act*. In the planning phase of the impact assessment process, the proponent has the

opportunity to provide information and views in its project description(s) and response to the summary of issues. This information provided helps the Impact Assessment Agency of Canada determine if and how specific factors (paragraphs 22(1)(a) to (f), (h) to (l), (s) and (t)) should be considered in the assessment.

To ensure the effective and efficient impact assessment of designated projects, the Impact Assessment Agency of Canada, with the support of the federal authorities and other jurisdictions, considers the information and the views of the proponent—as well as information and views from other participants in the process—in setting the scope of the factors to be addresses by the proponent in its impact statement. The scope of the factors is reflected in the tailored impact statement guidelines issued to the proponent at the end of the planning phase.

Atlantic salmon

RECOMMENDATION 20—It is recommended that DFO increase and accelerate its research on Atlantic salmon to help address this important issue. It is further recommended that DFO develop and implement its research plan in collaboration with Indigenous and stakeholder groups, and communicate its research plan within 12 months, as well as sharing and discussing the eventual findings of that research with these groups (Section 3.5.1).

MINISTERIAL RESPONSE—The Ministers agree with this recommendation. Fisheries and Oceans Canada recognizes the need for this information and is working on multiple research initiatives that are supported by a number of funding sources. Fisheries and Oceans Canada will continue to collaborate with partners in research plans, including from data collection through to participation in assessment processes. It will continue to explore opportunities for enhanced collaboration.

Leach’s Storm-petrels and other relevant species

RECOMMENDATION 21—It is recommended that ECCC, in partnership with Indigenous groups and relevant stakeholders including the oil and gas industry, increase its research into the seasonal presence of Leach's Storm-petrels and other relevant species in the Study Area and on the species’ behaviour and susceptibility to lights from drilling platforms and vessels, including the potential role of offshore operations in recently observed population declines (Section 3.5.1).

MINISTERIAL RESPONSE—The Ministers agree that additional research on Leach's Storm-petrels and other relevant species in the Study Area is required. Environment and Climate Change Canada accepts the recommendation.

Short-term priorities include:

- Improve oil spill preparedness and response with respect to effects on seabirds,
- Increase understanding of the population dynamics of Leach’s Storm-petrels in Atlantic Canada, and
- Increase understanding of the attraction of seabirds (e.g., storm petrels and other species) to light sources offshore.

This will require the integration of monitoring data and observations (i.e. requirements for systematic searches and observations using trained observers) from the drilling units operating within the Regional Assessment Study Area with broader research about the species’ presence and behavior.

Data accessibility

RECOMMENDATION 22—It is recommended that the commercial fisheries data (landings statistics and geospatial information) be made available by DFO in a more timely, accessible, and useful manner. This includes making these data publicly available through a website or other such means as opposed to requiring users to make individual data requests to DFO (Section 3.5.2).

MINISTERIAL RESPONSE—The Ministers agree that commercial fisheries data should be made available by Fisheries and Oceans Canada in a more timely, accessible and useful manner. Currently, Regional Statistics provides up-to-date fisheries data more recent than 2017. Up-to-date Newfoundland and Labrador Landings and Landed Value data is publicly available on the Newfoundland and Labrador Regional Internet site. Data requests can also be made through regional Fisheries and Oceans Canada Statistics. Also, efforts are underway to test digital logbooks, which could help streamline the process of making recent fishing information more readily available. The release of all data is subject to privacy restrictions and existing policy on authorized access/use of geospatial data.

Commercial fisheries data

RECOMMENDATION 23—It is also recommended that DFO explore alternative means of packaging and providing these commercial fisheries data to help resolve or reduce the current issues around confidentiality and associated data redaction (Section 3.5.2).

MINISTERIAL RESPONSE—The Ministers accept this recommendation. Fisheries and Oceans Canada will ensure, subject to privacy restrictions and policies on authorized access and use of geospatial data, that information on the distribution of commercial fishery activities will become more readily available to government authorities involved in managing marine authorities (and possibly to other groups). This will happen through the ongoing work led by the department to implement Marine Spatial Planning (MSP) in the Newfoundland-Labrador Shelves Bioregion. The Marine Planning and Conservation Program is actively exploring means of sharing fisheries and other information among organizations participating in MSP.

Knowledge sharing protocol

RECOMMENDATION 24—It is recommended that representatives of the oil and gas industry, applicable regulatory and resource management agencies (including the C-NLOPB and DFO), the fishing industry and Indigenous groups work together to develop and implement a protocol for gathering, documenting and sharing this information and knowledge to better understand key fishing activities, areas and times on a regional scale. DFO may be best placed to coordinate such a process and house the resulting data (Section 3.5.2).

MINISTERIAL RESPONSE—The Ministers agree that government shall work together with industry to develop and implement a protocol for gathering, documenting and sharing information and knowledge to better understand key fishing activities, areas and times on a regional scale.

Fisheries and Oceans Canada will work with the support of Natural Resources Canada, the Government of Newfoundland and Labrador and the C-NLOPB. They will support the development and implementation of a protocol through the ongoing efforts to implement Marine Spatial Planning in the Newfoundland-Labrador Shelves Bioregion, which is being advanced in collaboration with key partners and through the engagement of key stakeholders. Fisheries and Oceans Canada currently shares publicly

available information on its website and provides data on requests that meets conditions under the *Privacy Act*. Fisheries and Oceans Canada requires signed agreements by all parties impacted in order to share data that does not meet *Privacy Act* standards.

Information gathering and sharing protocol

RECOMMENDATION 25—It is recommended that representatives of the oil and gas industry, applicable regulatory and resource management agencies (including the C-NLOPB, DFO and ECCC), Indigenous groups, the fishing industry and environmental organizations work together to develop and implement a protocol for gathering, documenting and sharing information and knowledge about key environmental components and sensitivities in the Study Area (through associated mapping at an appropriate and an acceptable scale of detail) for future use by interested parties. Again, DFO may be best placed to coordinate such a process and house the resulting data. This information should be incorporated into future updates of the Regional Assessment, and shared directly with interested parties (Section 3.5.2).

MINISTERIAL RESPONSE—The Ministers agree that government shall work together with Indigenous groups and industry to develop and implement a protocol for gathering, documenting and sharing information and knowledge about key environmental components and sensitivities in the Study Area. Fisheries and Oceans Canada, with support from Environment and Climate Change Canada, Natural Resources Canada, the Government of Newfoundland and Labrador, C-NLOPB and the Impact Assessment Agency of Canada, commits to leading work toward realizing this recommendation. It will do so through its ongoing work to implement Marine Spatial Planning in the Newfoundland-Labrador Shelves Bioregion, which is being advanced in collaboration with key partners and through the engagement of key stakeholders.

Accessibility of marine mammals and sea turtles data

RECOMMENDATION 26—It is recommended that DFO-NL Region’s marine mammals and sea turtles sightings dataset be made publicly accessible (along with a detailed description of the dataset and what it contains including any limitations) as opposed to requiring users to make individual requests to DFO for these data (Section 3.5.2).

MINISTERIAL RESPONSE—Fisheries and Oceans Canada supports this recommendation and is committed to Open Data initiatives and will continue efforts to make its data publically available.

Standards for marine mammals observers

RECOMMENDATION 27—It is recommended that DFO develop, communicate and implement standards / certifications for marine mammal observers that set out specific training and experience requirements for these personnel (Section 3.5.2).

MINISTERIAL RESPONSE—Fisheries and Oceans Canada supports this recommendation, however this would require dedicated resources to deliver and would likely apply to all three of Canada’s oceans and not just the Regional Assessment Study Area.

Surveys of stranded birds

RECOMMENDATION 28—It is recommended that ECCC-CWS develop, in consultation with industry, protocols for systematic surveys of stranded birds on offshore platforms and vessels, and work with operators to implement these protocols on offshore platforms and vessels (Section 4.6.1).

MINISTERIAL RESPONSE—Environment and Climate Change Canada accepts the recommendation to develop generalized guidance for protocols for systematic surveys of stranded birds on offshore platforms and vessels. It will provide guidance to proponents before the end of March 2021. Proponents, in consultation with Environment and Climate Change Canada, will lead the development of site-specific protocols using the aforementioned guidance. Environment and Climate Change Canada accepts the recommendation to work with proponents to implement these protocols on offshore platforms and vessels.

The C-NLOPB commits to working with Environment and Climate Change Canada in the application of this protocol.

Information availability and data gaps

RECOMMENDATION 29—It is recommended that the C-NLOPB specifically consider overall information availability, data gaps and associated environmental risks in future decisions around whether and when to issue licences in data deficient areas as part of its scheduled land tenure process (Section 4.6.2).

MINISTERIAL RESPONSE—The Ministers accept this recommendation. The C-NLOPB currently considers information availability, data gaps and associated environmental risks as part of the scheduled land tenure process for the Canada-Newfoundland and Labrador offshore. C-NLOPB commits to continue to consider these factors in future licencing decisions.

Special areas initiatives

RECOMMENDATION 30—For each of the various types of identified special areas found within the Study Area (Marine Refuges, Fisheries Closure Areas, Ecologically and Biologically Significant Areas (EBSAs), Sensitive Benthic Areas (SiBAs), Vulnerable Marine Ecosystems (VMEs)), it is recommended that the relevant authorities accelerate scientific review and analysis of these areas to determine if their various components and characteristics warrant additional protection, mitigation or follow-up measures for any future exploratory activity that may take place within them (Section 4.6.2).

MINISTERIAL RESPONSE—The Ministers agree with the recommendation. Fisheries and Oceans Canada and Environment and Climate Change Canada shall continue to advance science required to determine whether additional mitigation or follow-up is warranted for future exploratory activity.

Domestically, Fisheries and Oceans Canada, Environment and Climate Change Canada, and Parks Canada Agency have adopted minimum protection standards that apply to all marine protected areas and which could apply to Fisheries and Oceans Marine Refuges. This is in accordance with the *Framework for Canada's Network of Marine Protected Areas*, and following the *National Advisory Panel on Marine Protected Area Standards*. Fisheries and Oceans Science, with Environment and Climate Change Canada expertise and broader input, has led on the development of guidance on other special areas, such as Sensitive Benthic Areas and Ecologically and Biologically Significant Areas. Both departments are carrying

out scientific research and analysis on components and characteristics of these areas, and of related avoidance and mitigation measures. Recommendations and actions on mitigations in special areas by federal authorities will consider the relevant Fisheries and Oceans Science advice, as well as the results of monitoring of past exploratory drilling. Fisheries and Oceans Canada and Environment and Climate Change Canada commit to considering the outcomes of the Regional Assessment Follow-up Program in the special areas initiatives.

Availability of spill imagery

RECOMMENDATION 32—As part of the notification of Indigenous and stakeholder groups in the event of an offshore spill, it is recommended that the C-NLOPB require that operators include any associated imagery around the nature and extent of the spill, and information on any affected marine biota (Section 4.6.3).

MINISTERIAL RESPONSE—The Ministers agree with this recommendation. The C-NLOPB will work with Fisheries and Oceans Canada to consider how proponents could make any associated imagery around the nature and extent of an offshore spill available to Indigenous and stakeholder groups while upholding confidentiality restrictions.

Guidance on mitigating effects to corals and sponges

RECOMMENDATION 33—It is recommended that once DFO's forthcoming additional guidance on mitigating effects to corals and sponges has been developed and released, these measures be incorporated into a future update of this Regional Assessment (Section 4.6.3).

MINISTERIAL RESPONSE—The Ministers agree and Fisheries and Oceans Canada commits to making the additional guidance on mitigating effects to corals and sponges available for incorporation into the Regional Assessment Follow-up Program as soon as the guidance has been developed and released.

Updates to seismic sound mitigation or standards

RECOMMENDATION 34—Should the *Statement of Canadian Practice with respect to the Mitigation of Seismic Sound in the Marine Environment* be revised as a result of DFO's on-going review of it, it is recommended that any new mitigations/standards be included in future update of this Regional Assessment (Section 4.6.3).

MINISTERIAL RESPONSE—The Ministers accept the recommendation. Fisheries and Oceans Canada agrees to make any new or amended mitigation requirements or standards applicable to exploratory drilling—that result from any revisions to the *Statement of Canadian Practice with respect to the Mitigation of Seismic Sound in the Marine Environment*—available to be included in future updates to the Ministerial Regulation.

Baseline data on contaminant levels

RECOMMENDATION 35—It is recommended that DFO, the C-NLOPB and the oil and gas industry work together to conduct a review of existing and available baseline data pertaining to contaminant levels (including polycyclic aromatic hydrocarbons (PAHs) and total petroleum hydrocarbons (TPHs)) in benthic organisms, fish and other harvested species in the Study Area, including an evaluation of the availability and adequacy of these data as baseline information for EEM purposes. In the event

that the existing and available data are not suitable or adequate for this purpose, these parties should develop, communicate and implement a research plan to fill these gaps, in collaboration with Indigenous and stakeholder groups. The parties should also share and discuss the eventual results of that research with these groups once available (Section 4.6.3).

MINISTERIAL RESPONSE—Fisheries and Oceans Canada commits to conducting a review of its existing and available baseline data pertaining to contaminant levels in the Study Area. The department will review historical Fisheries and Oceans Canada research, including external research projects funded by the department. It will also provide information about projects related to PAHs or TPHs in the Study Area to stakeholders through departmental Open Data initiatives.

Land tenure decisions

RECOMMENDATION 36—It is recommended that the information and analysis provided in this Regional Assessment, including the associated GIS decision-support tool, be considered by the C-NLOPB in its future decisions as part of the scheduled land tenure process. This should include consideration of potential cumulative effects and their management (as required) through associated planning (licencing) decisions linked to the scheduled land tenure process, in consultation with relevant expert authorities (Section 5.4).

MINISTERIAL RESPONSE—The Ministers accept this recommendation. The C-NLOPB commits to considering the information and analysis from the Regional Assessment and the outcomes of the Regional Assessment Follow-up Program in its land tenure decisions on a go-forward basis, including prior to Fundamental Decisions by governments.

Strategic Environmental Assessments

RECOMMENDATION 37—As there is a clear relationship between the information contained in this Regional Assessment (and especially, the associated GIS decision-support tool) and the C-NLOPB’s Strategic Environmental Assessments (SEAs) for Eastern Newfoundland, it is also recommended that the Board seek to utilize this tool as part of any future SEA updates (and to inform its associated licencing processes) to avoid unnecessary duplication (Section 5.4).

MINISTERIAL RESPONSE—The Ministers accept this recommendation and agree that there is a clear relationship between the information contained in the Regional Assessment, especially the associated GIS decision-support tool, and the C-NLOPB’s Strategic Environmental Assessment for Eastern Newfoundland. The C-NLOPB anticipates that the GIS tool will be used for a variety of purposes on a go-forward basis, including for any updates the C-NLOPB makes to the Strategic Environmental Assessment for Eastern Newfoundland and to inform the C-NLOPB licencing processes.

Exploratory drilling scenarios

RECOMMENDATION 38—It is recommended that as part of future updates to this Regional Assessment, the C-NLOPB undertake further development of the exploratory drilling scenarios described in the preceding sections, and generate periodic updates of those scenarios as new data become available (Section 5.4).

MINISTERIAL RESPONSE—The Ministers agree that the Governments of Canada and Newfoundland and Labrador, with the support of the C-NLOPB, will address this recommendation as part of the Regional Assessment Follow-up Program. This will include preparing a work plan for further development of exploratory drilling scenarios, updates of these scenarios, the timing of the work to be completed, and the lead party.

Cumulative effects

RECOMMENDATION 39—It is recommended that government assume responsibility for offshore-related cumulative effects assessment and management through a planning process directed by a dedicated agency. The DFO Marine Spatial Planning initiative might be considered as an appropriate vehicle through which to do this (Section 5.4).

MINISTERIAL RESPONSE—The Ministers agree that the Governments of Canada and Newfoundland and Labrador are jointly responsible for the Canada-Newfoundland and Labrador offshore area under the Accord Acts. Fisheries and Oceans Canada agrees that the Marine Spatial Planning initiative may be used as a vehicle to promote collection of information that could be used to assess and manage potential cumulative effects in the Canada-Newfoundland and Labrador offshore area.

The Impact Assessment Agency of Canada, with the support of the federal departments and the Government of Newfoundland and Labrador, commits to addressing this recommendation as part of the Regional Assessment Follow-up Program.

Benefits plans

RECOMMENDATION 40—It is recommended that the Benefits Plans developed by operators for proposed exploratory drilling programs in the Study Area and submitted to the C-NLOPB be made publicly available (with allowances for any commercially sensitive information to be redacted as appropriate prior to release) (Section 7.4).

MINISTERIAL RESPONSE—The Ministers accept this recommendation. Benefits plans for exploratory drilling projects are not currently publically released. The C-NLOPB will consider that proponents make benefits plans for exploratory drilling programs publicly available. Consistent with the Committee's recommendation, this could include a requirement to share information pertaining to local benefits commitments, as per Section 45 of the Accord Acts.

Diversity Plans

RECOMMENDATION 41—It is recommended that Diversity Plans specific to exploratory drilling programs should be required by the C-NLOPB for future such programs in the Study Area, which should be made publicly available (Section 7.4).

MINISTERIAL RESPONSE—The Ministers agree that Diversity Plans could be developed by proponents proposing projects in the Study Area. Such plans could be made available to the public by proponents. This would be a new requirement and the C-NLOPB will consider whether to require proponents to develop Diversity Plans. If required, the C-NLOPB will develop guidance for proponents on the specific requirements of, and C-NLOPB's expectations around, a Diversity Plan.

The C-NLOPB notes that exploratory drilling programs are short work programs, typically 30–90 days in duration. While the C-NLOPB currently requires that proponents seek ways to maximize local content, the short duration of exploratory drilling programs may limit the extent of local benefits and diversity objectives to be derived from a project.

Greenhouse gas emissions

COMMITTEE REPORT—In a time of climate crisis, the issue of greenhouse gas emissions (GHG) associated with offshore oil and gas exploratory drilling is an important one. The Committee has undertaken calculations of potential emissions based on the Government of Newfoundland and Labrador’s projection of 100 new exploratory wells being drilled in the Canada-NL Offshore Area over the next 10-12 years. The estimated annual GHG emissions for these 100 wells are predicted to contribute 0.07–0.1 percent of the federal 2020 GHG target and 0.09–0.12 percent of the federal 2030 target. All emissions are important in determining whether and how our national GHG targets can be reached. However, given the small portion of total emissions generated by this sector, and our inability to analyze other national sources, it is considered unlikely that exploratory drilling itself would hinder Canada’s ability to meet its emissions targets. The Committee does recognize however, that exploratory drilling is the “thin edge of the wedge” and successful exploration may lead to oil and gas production with concomitant GHG emissions. The Committee’s mandate to examine only exploratory drilling then leaves the broader issue of GHG emissions, and associated climate change considerations from the overall oil and gas sector to other, more appropriate venues (Executive Summary page xi).

MINISTERIAL RESPONSE—Although the Committee concluded that GHG emissions are best addressed outside of the Regional Assessment, Environment and Climate Change Canada recommends that an analysis of GHG emissions should still be carried out to gain a better understanding of the emissions from these activities and to identify opportunities to minimize those emissions. The most recent GHG inventory reports indicate that the annual GHG emissions from an offshore oil production platform are approximately 20 times the amount of annual emissions from a single exploration drilling unit.

GHG regulations and instruments, both current and those under development, may also help to mitigate GHG emissions from this sector. The proposed Clean Fuel Standard (CFS) Regulations will reduce the lifecycle carbon intensity of fossil fuels in Canada, which are used in stationary and mobile equipment. The CFS could also incent the use of electric or zero emissions technologies. The regulations for the liquid fossil fuel class of the CFS are planned to be released in 2021. In addition, in 2018, the government of Canada invested \$700 million in a five-year program to grow Canada’s clean technology industry, protect the environment and create jobs. Some existing policy instruments would not apply given that that offshore oil drilling is exempt from carbon pricing in Newfoundland and Labrador, nor do the federal methane regulations apply.

Environment and Climate Change Canada proposes that a next step should involve working with the C-NLOPB, the Government of Newfoundland and Labrador, and Natural Resources Canada to carry out a sector analysis of GHG emissions from offshore exploratory drilling. This analysis would follow the analytical approach and guidance provided in the most up-to-date version of the Strategic Assessment of Climate Change. This analysis would be completed by Fall 2021 to inform future amendments to the Ministerial Regulation to support mitigation as necessary.

Newfoundland and Labrador committed to a made-in-NL approach to carbon pricing to address the province’s social, economic and fiscal realities and submitted its plan to the federal government in September 2018. In October 2018, the federal government amended the *Canada–Newfoundland and Labrador Atlantic Accord Implementation Act* to allow for the application of the *Provincial Management of Greenhouse Gas Act* (MGGA) in the offshore area, and to confer powers and impose duties and functions on the C-NLOPB for the application of that regime. Under NL’s “hybrid” carbon pricing system, a carbon tax applied to combusted fossil fuels across the economy, with some exemptions, and a performance standard system is in place for onshore and offshore large industrial facilities and large-scale electricity generation, including oil and gas. This system was implemented on January 1, 2019 and covers onshore and offshore industrial facilities with GHG emissions greater than 25,000 tons annually. The C-NLOPB administers the MGGA regulations in the offshore area and will recover costs associated with this function from industry—similar to existing authorities for other regulatory functions. Compliance is achieved through on-site reductions, performance credits, or contribution to GHG Reduction Fund at a rate equal to required federal carbon price.