

SUMMARY OF COMMENTS/RECOMMENDATIONS

PROPOSER: MS. SHER FOLLETT
PROPOSAL NAME: HUSKY OIL LIMITED
CLASS OF DEVELOPMENT: 1
TYPE OF DEVELOPMENT: MANUFACTURING – GASIFICATION PLANT
ETHANOL PRODUCTION
CLIENT FILE NO.: 5093.00

OVERVIEW:

On April 22, 2005, Manitoba Conservation received a Proposal dated April 20, 2005, for the construction, installation and operation of an ethanol manufacturing plant, distillers dried grain with solubles used as a high-protein animal feed supplement and distribution facilities located on various portions of Section 11-15-18 WPM in the Town of Minnedosa. Since 1981, the Minnedosa Ethanol Plant has produced 10 million litres annually from local prairie grains and 9,000 tonnes of Distillers Dried Grain. Husky Oil Limited is proposing the construction of a new production plant with 130 million litre annual production to be constructed adjacent to their existing plant. Husky has retained Katzen International for the process technology and KGS Group, Consulting Engineers and Project Managers for the preliminary design and engineering. The normal hours of operation are 24-hours per day, 7 days a week.

Husky Oil Limited conducted a public information open house on May 26, 2004 at the Minnedosa Community Centre. No public concern was received in response to the advertisement of this proposal in the Neepawa Banner published on Saturday April 30, 2005. The proposal was placed in the Public Registries at the St. James-Assiniboia Public Library, the Manitoba Eco-Network, the Western Manitoba Regional Library, Town of Minnedosa and the Conservation Library (Main). The proposal was distributed to TAC on April 25, 2005, with the closing date for TAC and Public comments on May 31, 2005.

COMMENTS FROM THE PUBLIC:

No public responses were received.

COMMENTS FROM THE TECHNICAL ADVISORY COMMITTEE:

Canadian Environmental Assessment Agency state that based on their staff survey, application of the *Canadian Environmental Assessment Act* with respect to this proposal is

likely to be required. Natural Resources Canada may be providing funding for the proposed project, and would therefore be required to complete an environmental assessment of the project under the Act. Concerns, issues and additional information requests from Fisheries and Oceans Canada, Environment Canada and Health Canada have been received.

Fisheries and Oceans Canada concerns include potential harmful alteration, disruption or destruction of fish habitat on the Little Saskatchewan River. They request additional information to make this determination.

Environment Canada concerns include the option of co-generation for energy efficiency, potential emissions from ammonia, chlorine dioxide and gasoline denaturant stored onsite, background concentrations used in emission modeling, quantity of potential release of VOC's, comparison of benefits for controlling evaporative emissions from ethanol storage tanks, VOC emissions from the distillation/fermentation processes, impact of overall increase in air emissions, treatment of greenhouse gas emissions under national inventory, clarify when life-cycle analysis of CO2 emissions will be done, likely source of elevated selenium levels, conducting follow up testing/monitoring to determine Cumulative Effects and timing/scheduling of construction to minimize wildlife disturbance.

Health Canada concerns include public consultation and how residential odour/noise complaints were received and handled, future for existing plant, identifying risks to employees associated with new equipment and technology, what mitigation measures will be utilized to ensure noise levels are not exceeded for employees during construction/operation and residents/receptors. In addition concerns include flood levels/protection.

Disposition:

The concern and request for additional studies / information's have been provided to the proponent for response. The proponent states there will be no development along the Little Saskatchewan River shoreline except a culvert/trench installed for clean water release. During construction buffer zone control measures to control sediment, erosion, spill avoidance and mitigation measures will be adopted.

Proponent states that low power prices in Manitoba do not support the economics of cogeneration facilities. A National Pollutant Release Inventory will be conducted once the facility is in operation and reported to Environment Canada. Regular monitoring programs will be in place when facility is operational.

Proponent stated there have only been two noise/odour complaints in 24 years of operation. The plant has a worker exposure monitoring program in place.

Sustainable Resource Management concerns are that the report focuses on the reduction in air emissions per unit of production rather than the increase of total air pollutants. Concerns also include greenhouse gas emission targets and comparison to different year's data. The nitrogen oxides (NOx) and carbon monoxide (CO) emission rates were provided in different units from CCME guidelines and air quality assessment would have been more conservative to match the averaging

period of both the background concentrations and the modeling results, rather than using the annual average background concentration for all averaging periods.

The proposal does not indicate whether ethanol emissions are controlled during the transfer of finished products to trucks or railcars at load out station. Air emissions limits should be based on information provided in the proposal. These should be determined through regular source sampling with results being reported to the Department and emissions of total particulate matter (TPM) and carbon dioxide (CO₂) should be annually reported as well.

Disposition:

The information requests/concerns were provided to the proponent for response. The proponent supplied additional information which was distributed to persons concerned. Concerns are addressed in draft licence.

Community Planning Services state that the nearest residential area is approximately 3,000 ft. to the east of the proposed ethanol storage tank location and the nearest resident is 2,650 ft. north-east. The Development Plan for the Tanner's Crossing Planning District (which includes Minnedosa) indicates that there will be no westerly residential expansion towards this industrial development. Most of the proposed property is zoned "MH" Industrial (Heavy) according to the Town of Minnedosa Zoning By-law. Distillery's are a permitted use. The southern portion of the development within 150 ft. of the ordinary high water mark of the river has been zoned "OR" Open Space/recreational Zone to enhance the natural and aesthetic attributes of the riparian zone. This zone does permit industrial water supply and wastewater facilities, parking and exterior storage areas on Town of Minnedosa Council approval. If risk factors and emissions are acceptable, transportation/utility infrastructures met, they have no concerns with the development.

Disposition:

The information requests/concerns were provided to the proponent for response. The proponent supplied additional information which was distributed to persons concerned. Concerns are addressed in draft licence.

Transportation & Government Services state they have no major concerns with the development, but state that a permit will be required from their department to construct/modify the access to Provincial Road (PR) 355 and direct any surface water drainage to the PR 355 ditch.

Disposition:

The information was provided to the proponent for their response. The proponent stated that a detailed traffic study has been initiated and any recommended improvements requiring a permit will be applied for.

Petroleum Branch state they have no comments or concerns with the proposal.

PUBLIC HEARING:

No public hearing will be conducted.

RECOMMENDATION:

TAC concerns are addressed in the draft licence.

The responsibility for enforcement of the Licence should remain with Assessment & Licencing Branch until the proponent complies with the Licence clauses.

A draft Environment Act Licence is attached for the Director's consideration.

PREPARED BY:

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