

Federal Impact Assessment Act Under Review

MEASURING PROGRESS
ON PROJECTS & TIMELINES

**CANADAWEST
FOUNDATION**

Marla Orenstein
May 2023

Canada West Foundation

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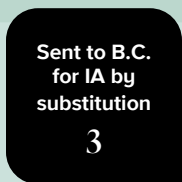
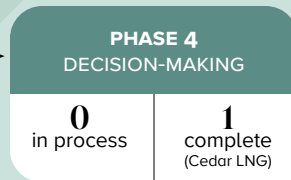
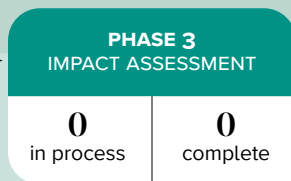
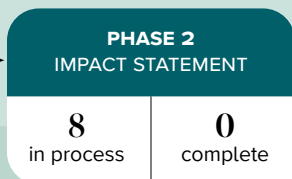
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Almost all projects are still in the early stages of the IA process

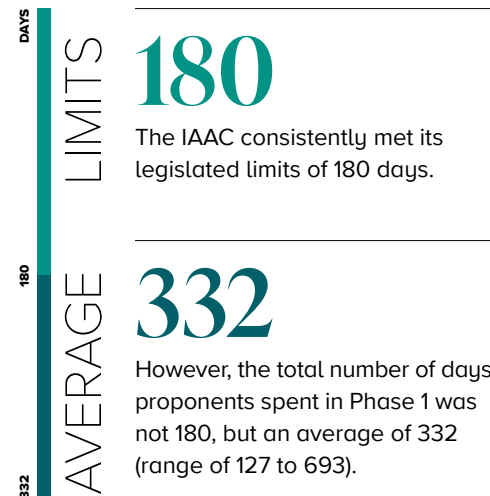


The Impact Assessment Agency of Canada (IAAC) has been amassing substantial experience in managing Phase 1 of the process. However, it hasn't gotten to the hard parts yet.



Analysis of all projects from August, 2019 (when the IAA was enacted) through April, 2023

On time for Phase 1? Depends how you count.



The near-complete failure to reach **180 days** without stopping the clock indicates that the Planning phase is not working as intended. Substantial changes are clearly needed.

A CAVEAT: the Planning phase may still succeed in reducing the overall timeline of the IA process, but we won't know for several years.





Introduction

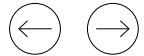
Canada's *Impact Assessment Act*, originally born as Bill C-69, came into effect in mid-2019. The Act was intended to fix several problems – some real and some perceived – with the previous process for federal project approval, the *Canadian Environmental Assessment Act* of 2012 (CEAA 2012).

Among CEAA 2012's problems were excessively long timelines. A [review](#) of project approval timelines and outcomes conducted by the Canada West Foundation in 2018 found that on average, it took almost 3.5 years for a project to either receive approval or be terminated with some projects taking over 10 years.

Has the *Impact Assessment Act* fixed the problem of long timelines? This report reviews the data to see what's happened during the last three-and-a-half years of major project submissions.



The Canada West Foundation strongly supports an approval process that is transparent, robust, inclusive, fair and evidence-based—so that what gets built, gets built right. However, the process must also be timely and efficient in order to be effective.



How the Federal IA Process Works

Projects that fall under the *Impact Assessment Act*

Three types of projects are reviewed under the *Impact Assessment Act (IAA)*:

A **Projects that take place on federal lands or federally protected areas** such as national parks, oceans and offshore areas. These tend to be small infrastructure projects such as shipyard wharf repairs, a dam replacement in a National Historic Site, installation of new buildings on a Canadian Forces Base and building a new access road on a First Nations territory. There are currently over 900 active assessments of projects on federal lands. These projects are not included in the analysis in this report.

B **Projects described in the Physical Activities Regulations** (the Project List), regardless of where these take place. This includes the construction, expansion, operation or decommissioning and abandonment of the following:*

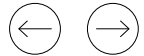
- Fossil fuel-powered electricity generation facilities (200 MW or more)
- Transmission lines that are interprovincial or international
- Oil sands mines
- In-situ oil sands (2,000 m³/day but exempted if the proposed facility falls under a provincially-legislated hard cap on GHG emissions)

*These are high-level characterizations; see the actual [Physical Activity Regulations](#) for details.

- Facilities for storing, processing, upgrading or refining liquid petroleum, natural gas or sour gas – this includes LNG facilities
- Pipelines (75 km or more in new right of way)
- Mining (generally over 5,000 t/day or 2,500 for rare earths)
- Nuclear power facilities
- Uranium (or thorium, plutonium) processing or storage, or nuclear waste management
- Hydropower
- Dams, dikes and water diversion projects near natural water bodies
- Airports and runways
- Highways (75 km or more)
- Marine terminals (ports)
- Railways (50 km or more)
- Hazardous waste facilities near natural water bodies

C **Projects that aren't on the Project List but that are "designated" by the Minister of Environment and Climate Change** – in other words, the Minister can decide that potential impacts on federal areas of responsibility may be sufficiently adverse that the federal government will review the project.

Canada's Supreme Court has heard a constitutional reference from the Province of Alberta, with seven other provinces as intervenors and the Government of Canada as respondent. The reference questions whether the federal government, through the *Impact Assessment Act*, has the authority to review projects where the activity is fully within provincial jurisdiction. The question is relevant to application of the Act to some projects in categories B and C. The Supreme Court's response will affect which projects are considered under the IAA. While important, this issue is outside the scope of this paper.

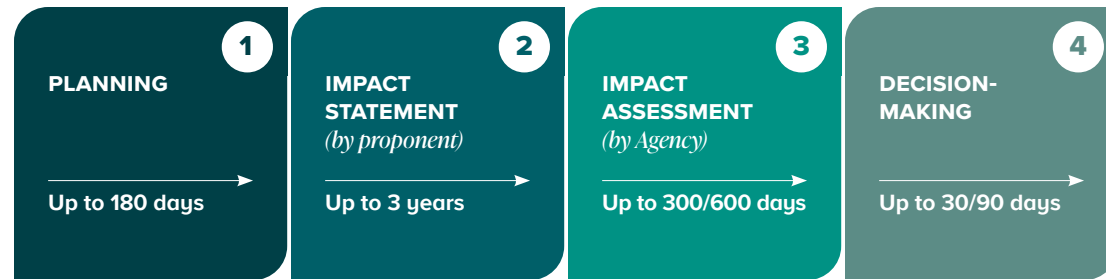


Steps in the review process

One of the biggest advantages of the IAA process was supposed to be shorter approval times and more certainty about how long the process would take.

In fact, there is not one review process but two, depending on the level of complexity of the proposed project. Less complex projects undergo review by the Impact Assessment Agency of Canada (IAAC or “the Agency”) and a decision by the ECCC Minister; more complex projects involve review by a panel and a decision by Cabinet. The sequence of steps, however, remains the same and is shown in *Figure 1*.

Figure 1: The phases of the federal impact assessment review process

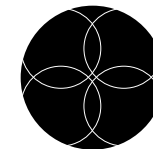


PRE-PLANNING

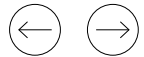
The process starts with the proponent preparing an *Initial Project Description (IPD)*. Although this period of preparation doesn't officially count in the IA process, it is not insignificant and requires substantial time and resources on the part of the proponent. Smart and well-prepared proponents start years in advance to build solid relationships with host communities and Indigenous groups, instead of just putting a project description on paper. This early relationship building – and the surfacing and addressing of concerns that comes with it – is often key to a relatively short and less contentious review process.



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Early relationship building – and the surfacing and addressing of concerns that comes with it – is often key to a relatively short and less contentious review process.



PHASE 1 PLANNING

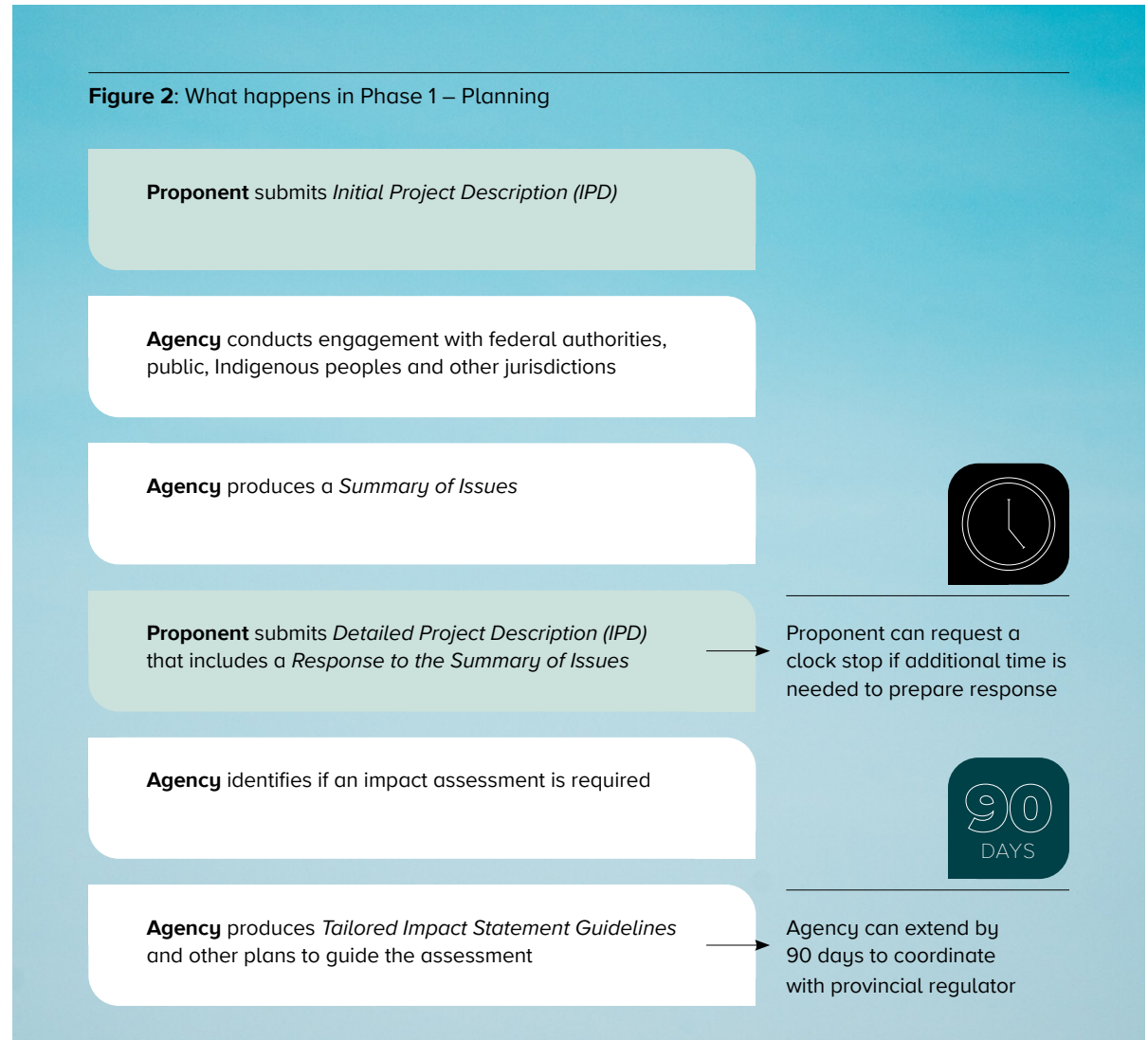
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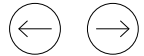
Once the proponent submits the IPD and it is accepted by the Agency, the **Planning** phase begins, as shown in *Figure 1*. The Planning phase sets the stage for the assessment by identifying the scope of issues that will be addressed. The Agency engages with affected Indigenous groups, external stakeholders and other government agencies to identify their issues and concerns. The proponent must respond with a *Detailed Project Description* that provides additional information on the project and also how it intends to respond to the issues raised. At this point, the Agency may determine that no impact assessment is required and “off-ramp” the project. However, if an impact assessment is required, the Agency develops *Tailored Impact Statement Guidelines (TISG)* – a guidance document cataloguing what the proponent must address in its Impact Statement in the next phase. These steps are shown in *Figure 2*.

The Planning phase is new; there was no equivalent under CEAA 2012. It is intended to streamline the overall process and improve the timeline by surfacing concerns early – thus avoiding slowdowns later in the process and giving proponents an early heads-up if there are any dealbreakers.

Planning is mandated to be completed by the Impact Assessment Agency within 180 days. However, it may be extended by up to 90 days to enable cooperation with another jurisdiction (i.e., a provincial regulator). It may also be extended via “stop clock” requests from the proponent, if they need additional time to complete their responses.

Figure 2: What happens in Phase 1 – Planning





PHASE 2 IMPACT STATEMENT

2

In the second phase, **Impact Statement**, the proponent prepares an application that includes design plans, research studies and consultation outcomes. This has historically been a very large document; the application for the Trans Mountain pipeline extension project, for example, ran to around 20,000 pages. The length is dictated both by project complexity and by the range of issues included in the TISG.

The Impact Statement phase may take up to three years, or longer if additional time is requested by the proponent. The three year limit was designed to weed out “unprepared” proponents by discouraging them from entering the process too early; however, circumstances such as the pandemic have resulted in justified extensions.

PHASE 3 IMPACT ASSESSMENT

3

The third phase, **Impact Assessment**, comprises IAAC’s own analysis of the impacts. The assessment is based on the proponent’s Impact Statement, the Agency’s own analyses, government’s engagement with Indigenous groups and other stakeholders and – in the case of a review panel – hearings. The Impact Assessment process results in an *Impact Assessment Report*, which includes a recommendation to the Minister as to whether or not the project should be approved, and conditions that the proponent must meet. The Impact Assessment Report must be prepared within 300 days (or 600 if a review panel is involved).

Under CEAA 2012, this was a very lengthy part of the process, and often got bogged down in Information Requests (IRs) that were submitted near the end of the process by intervenors who felt the proponent’s application hadn’t adequately covered all issues of concern. These IRs were often numerous (Trans Mountain, for example, was required to respond to more than 17,000 Information Requests) and added substantial time to the overall process. IRs are not permitted under the IAA; instead, the Planning phase is intended to surface issues of concern.

PHASE 4 DECISION-MAKING

4

The final phase is **decision-making**, in which the project is given the final thumbs up or thumbs down. Decision-making must take place within 30 days if the Minister is making the decision, or 90 days if decision is being made by Cabinet (in the case of a review panel).

POST-DECISION

If the project has received approval, subsequent activities may include:

- Permitting by provincial and federal agencies
- Regulators ensuring compliance with conditions
- Ongoing monitoring of the project by regulators and Indigenous or community monitoring committees



Analysis of Projects & Timelines

A dataset of 25 projects

This report analyzes a dataset of 25 projects that fall under the IAA review process, and includes every new project since the Act first came into force on August 28, 2019 through to the cut-off date of this analysis of mid-April, 2023.

Excluded from the analysis are 26 projects that were already in the federal project review “pipeline” when the IAA was enacted. These 26 projects were grandfathered and allowed to continue using the previous CEAA 2012 process, but under the new agency (IAAC rather than the former Canadian Environmental Assessment Agency; and, where applicable, the Canada Energy Regulator rather than the National Energy Board).

Also excluded from the assessment are Regional Assessments as these are proactive assessments of a geographical area rather than an approval process for a specific project.

Information about the projects came from data that is publicly available on the [Canadian Impact Assessment Registry](#), supplemental data provided by the Impact Assessment Agency of Canada (IAAC), and interviews with project proponents and impact assessment practitioners.

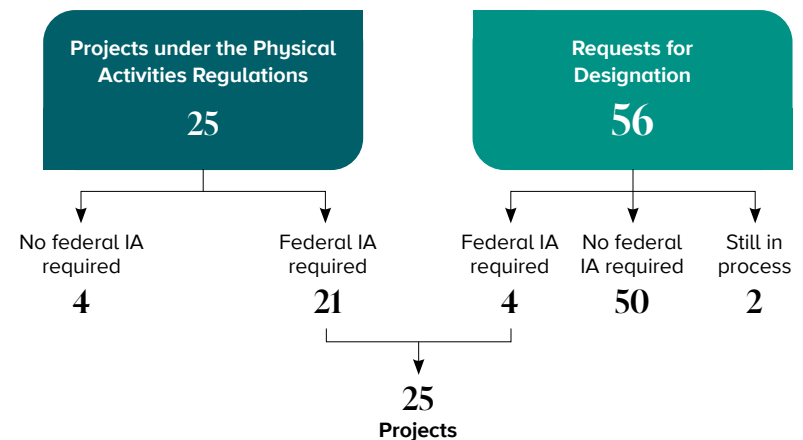
Projects include both regulated and designated

The 25 projects comprise both projects that fell under the Physical Activity Regulations (category B above), and those that were designated by the Minister (category C).

REGULATED

As shown in *Figure 3*, 25 projects initially fell under the Physical Activities Regulations. However, IAAC determined that no IA was required for four of those projects because there were not sufficient potential impacts under federal jurisdiction to warrant a federal assessment. Those projects were the Waterloo Airport Runway Project, Prairie Lights Power Project, Horsefly Regional Emergency Spillway Project and ATCO Salt Cavern Storage Expansion Project, and they were essentially “off-ramped” from further review in the process. A total of 21 projects were fed into the process by the Regulations.

Figure 3: Projects included and rejected from the IAA process



DESIGNATED

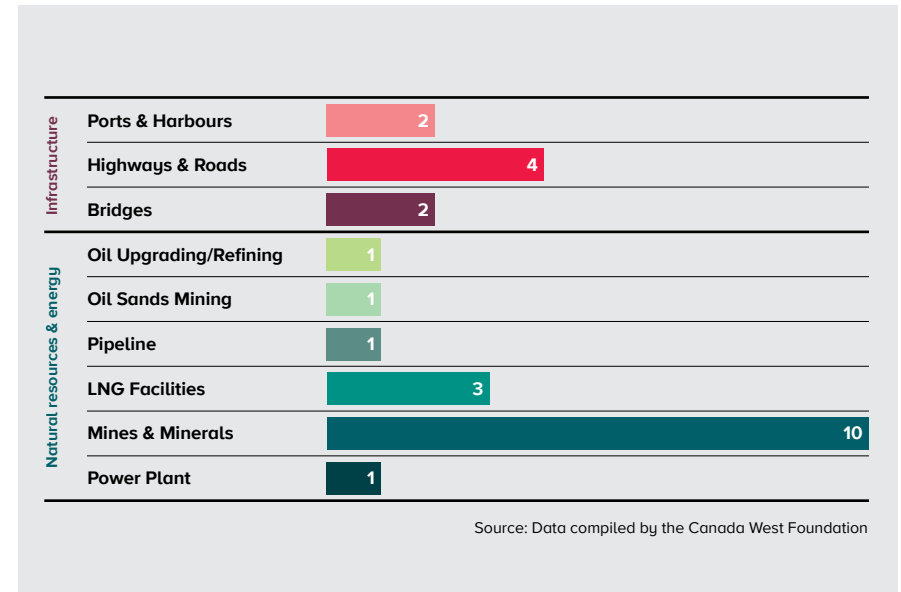
Conversely, the Minister received 56 requests under the Act to designate projects. However, only four of these projects were in fact designated as requiring a federal impact assessment. The other 50 projects were determined not to require a federal impact assessment and two others are still under review. For the projects that were determined not to require a federal assessment, the most common reason was that other existing regulatory or permitting processes at provincial or federal levels were sufficient to deal with anticipated impacts. The four projects designated by the Minister are:

- Highway 413 project
(Highways and roads – ON)
- Vista Coal Underground Mine Project and Expansion
(Coal mining – AB)
- Fording River Extension
(Coal mining – B.C.)
- Tent Mountain Mine Redevelopment
(Coal mining – AB)

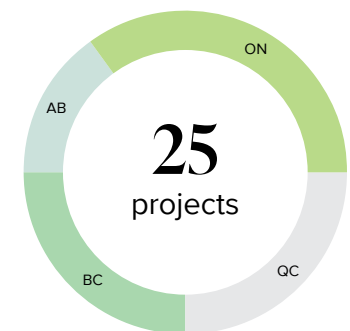
Both infrastructure and natural resource/energy projects

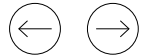
As shown in *Figure 4*, the projects include both infrastructure (ports, roads, bridges) and natural resource / energy projects (oil sands mining, upgrading and refining, pipelines, LNG facilities, mines and electricity projects). Mining has been the most prevalent type of project submitted for review under the IAA as it was under CEAA 2012, the predecessor legislation. About a third of the 25 projects are located in Ontario, about a quarter each in Quebec and B.C. and the remaining 15 per cent in Alberta.

Figure 4: Projects currently in the IAA process, by project type



About a third of the 25 projects are located in Ontario, about a quarter each in Quebec and B.C. and the remaining 15 per cent in Alberta.





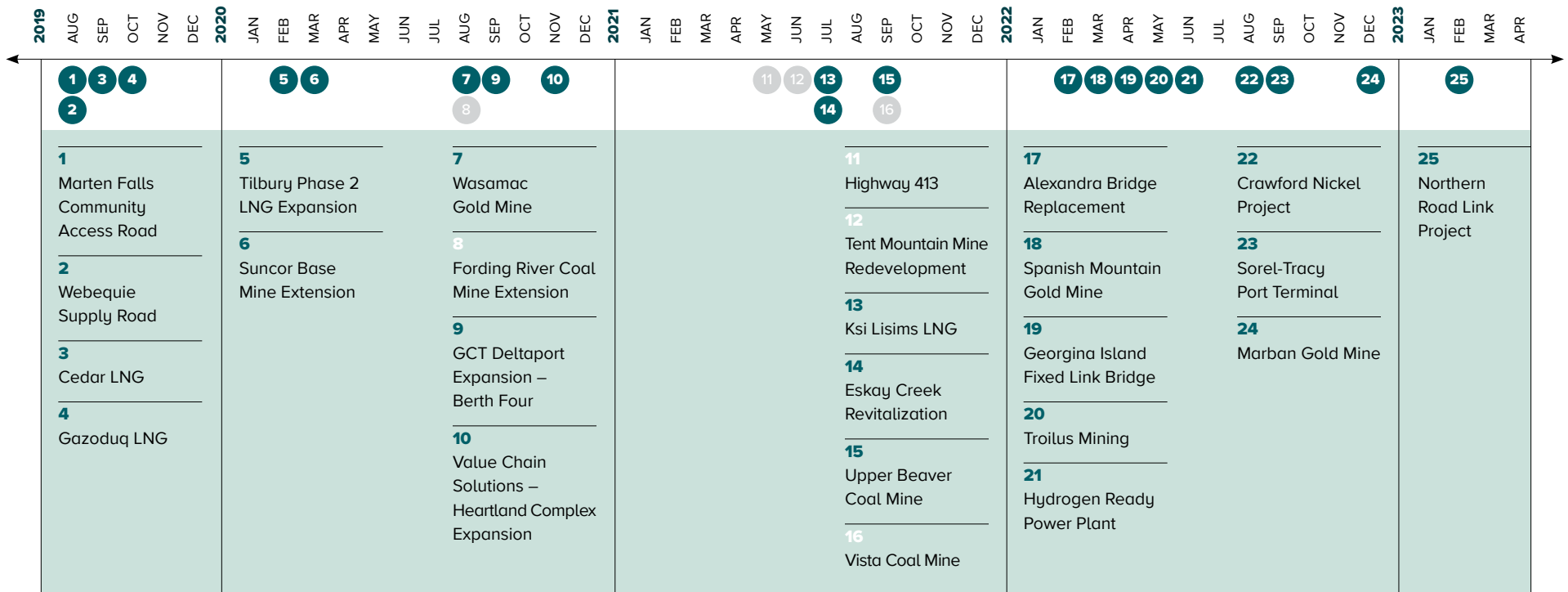
Projects were submitted in a trickle, then a stream

As soon as the IA Act came into effect on August 28, 2019, four projects entered the process almost immediately, as shown in *Figure 5*. However, after that initial surge, few projects were submitted by proponents in 2019, 2020 or 2021. (Projects submitted by proponents are shown in teal in *Figure 5*; projects designated by the Minister are shown in light grey). This changed in 2022, with eight projects entering the process that year.

The pandemic likely contributed to the slow timing across 2020 and 2021. However, it may also have been due to the reluctance of proponents to become “guinea pigs” under the new process. Interviews with proponents and consultants indicated that a number of companies have deliberately shied away from submitting projects due to concerns about an untested process, potentially contested outcomes, and ambiguity over how decisions would interact with government policy.

It isn’t appropriate to make a direct comparison between the number or rate of projects submitted under CEAA 2012 compared with the new IA Act, as external market forces play a strong role in the potential viability of projects.

Figure 5: Timeline of when projects entered the impact assessment process under the IA Act



● Projects that were designated by the Minister rather than submitted voluntarily by the proponent.

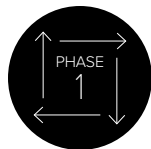
Source: Data compiled by the Canada West Foundation

All projects are still in the early stages of the IA process

At the time of data collection cut-off (mid-April, 2023), almost all of the projects remain in the early stages of the IA process, as shown in *Figure 6*.

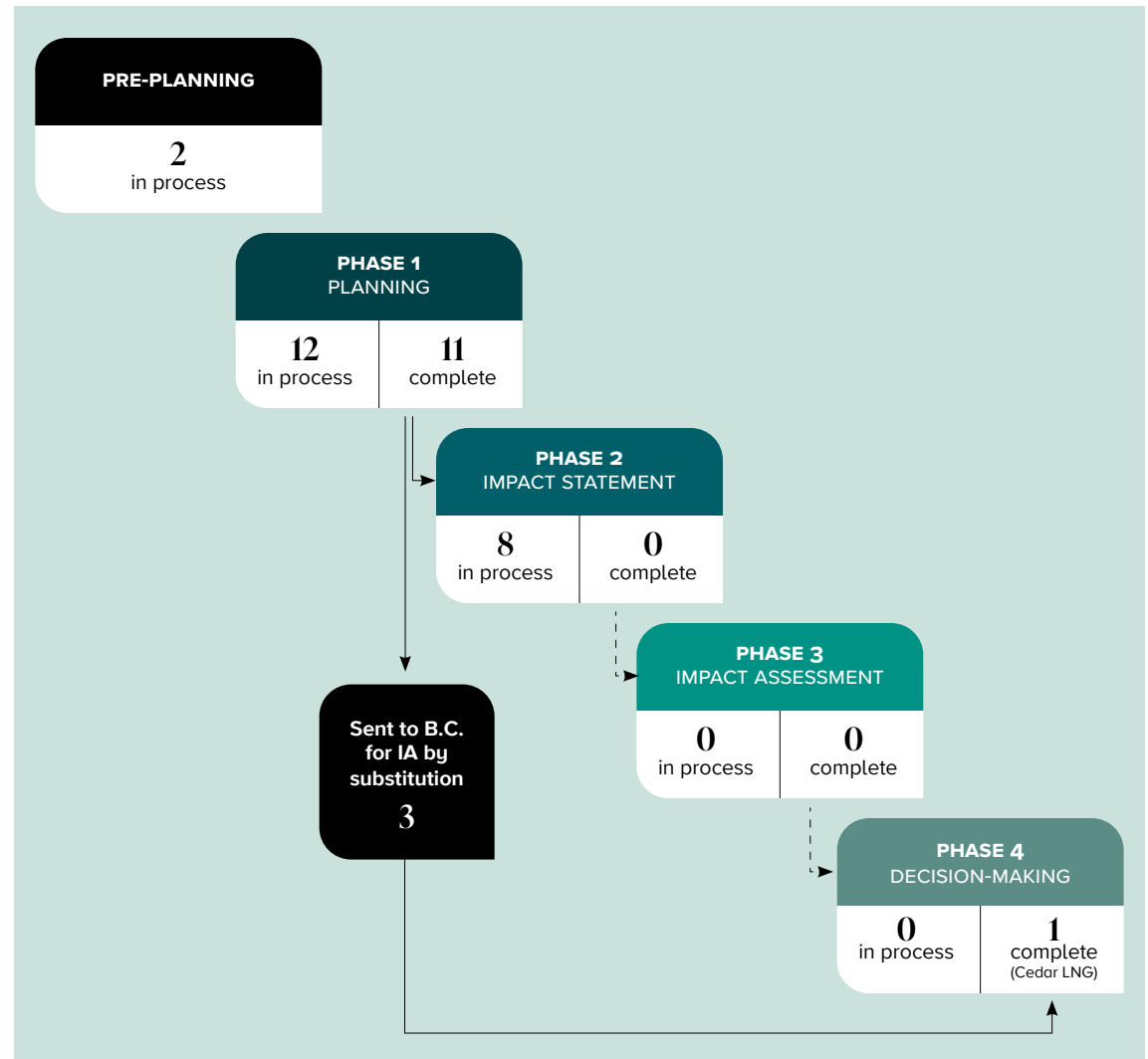
- Two projects that were designated by the Minister are preparing a project description and have not yet entered Phase 1 – Planning.
- Twenty-three projects had entered Phase 1 – Planning. Of these, 12 are still in that phase. Eleven have emerged out the other side.
- Of those 11 projects, eight have moved into Phase 2 (Impact Statement prepared by the proponent) under IAAC’s supervision. The other three moved into a provincial impact assessment process (see ‘Substitution’ below). No project has yet completed Phase 2 under the Agency.
- None of the assessments being led by IAAC have entered Phase 3 or Phase 4 of the IA process.

In short, IAAC has been amassing substantial experience in managing Phase 1 of the process. However, it hasn’t gotten to the hard part yet.

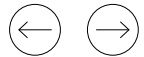


IAAC has been amassing substantial experience in managing Phase 1 of the process. However, it hasn’t gotten to the hard part yet.

Figure 6: How far along the projects are in the IA process



Source: Data compiled by the Canada West Foundation



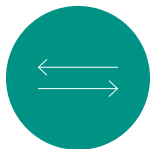
SUBSTITUTION

Figure 6 also shows that subsequent to completing Phase 1, three projects were moved to the B.C. environmental assessment process, under a process known as “impact assessment by substitution.” This means that the relevant provincial process has been substituted for the federal process. The federal government still makes its own approval decision – as does the province – but the process is conducted under the provincial impact assessment regime.

B.C. is the only province that currently has a substitution agreement in place with the federal government. For all other provinces, there may be coordination or harmonization between the federal and provincial governments, but two parallel processes run throughout, often under different criteria. This means proponents prepare two reports, two government assessment processes are set in motion and two decisions are reached.

In March 2023, one of the three projects that was moved to the B.C. process, the Cedar LNG project, completed the assessment process and received approval from both the provincial and federal governments. It is the first project that entered the new IAA process to have done so. Some of the factors that contributed to its relatively swift passage and its positive decision are described in the green box on this page.

The good news arising from Cedar LNG’s approval is that a project has finished the impact assessment process, received approval from both levels of government, and in a relatively timely manner. The not-as-good news is that its approval sheds almost no light on the federal impact assessment process, as the majority of the assessment was completed under the B.C. regime. Critically, the project does not demonstrate what will happen to projects as they undergo Phase 3 under the Act, the part of the process that is most complex, involves a substantial number of stakeholders, and is vulnerable to charges of procedural mismanagement.



Cedar LNG

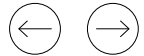
A project approval success story



On March 14, 2023, the Cedar LNG project received approval from the B.C. government, and the next day from the federal government. This is the first major project under the new regime to “graduate,” and it did so in just under 3.5 years after entering the process on September 19, 2019.

There are a number of factors that helped the Cedar LNG project receive approval so quickly – some that can be emulated by other proponents and others that may be harder to duplicate.

- According to IAAC, the proponent was very well-prepared for what would be required to produce their Project Description and Impact Statement.
- Smart design choices also helped. The project was able to leverage existing infrastructure and therefore required very little greenfield development. A floating LNG terminal was proposed, which minimized land impacts.
- The proponent committed to net zero by 2050 and prepared information to show how it would achieve this.
- The proponent was a First Nations group (the Haisla First Nation) and while this didn’t quell all concerns from other Indigenous groups, the proponent was very responsive in understanding and addressing issues raised by those groups.
- Substitution allowed for a much more parsimonious process overall and much of the assessment was carried out under the previously-tested B.C. EAO process.



Phase 1 timelines, or: How many days are there in 180 days?

As noted, one of the objectives of overhauling the impact assessment regime was to improve the timeliness – and the predictability – of the process. By creating a Planning phase, the government hoped to surface all potential concerns early, give the proponent early notice if there were any dealbreakers, and avoid slowdowns in the process that otherwise would have occurred later.

At the same time, Planning is supposed to be a relatively quick phase – six months. Under the IAA, the Agency has a legislated limit of 180 days in which to do its work. What isn't included in this 180 day limit, however, are suspensions – times when the clock stops. Suspensions can be requested by the proponent or ordered by the Minister of the Environment.

Table 1 shows the timelines actually experienced in Phase 1 Planning, both for projects that completed the Planning stage and for those projects that are still in it.

The days “on the clock” represent the time that the ball is in the Agency’s hands. In all cases, the Agency has stayed under its 180 day limit. **However, the total number of days – including stopped-clock days and extensions – has ballooned, as shown in the final column. Projects that completed the Planning phase did so in times ranging from 127 days to 693 days, with a mean of 332 days. Projects still in the Planning phase don’t look like they will fare any better.**

The clock stoppages occurred for a variety of reasons: *

- *Provincial coordination*: For two projects (Gazodug and GCT Deltaport), time limits were extended by 90 days to allow coordination with provincial impact assessment processes. For projects where substitution occurred, additional time was needed to align with the B.C. provincial assessment process.
- *Pandemic*: The pandemic interfered with stakeholder consultation processes or the ability of the proponent to prepare a project description.
- *Overly broad or detailed information requirements*: The level of detail requested by IAAC for the Detailed Project Description required substantial additional time to complete.
- *Additional time for Indigenous consultation*: Additional time was required to consult with affected Indigenous groups.
- *Proponent unreadiness*: In at least one case, the proponent was unprepared for what would be expected of them and probably entered the process too early.
- *Proponent decision-making*: Some proponents requested clock stoppages so they could re-evaluate whether they wanted to move forward with the project.
- *Dispute resolution*: Two projects are subject to dispute resolution under B.C.’s *Environmental Assessment Act* (e.g., Fording River Extension and Ksi Lisims LNG) and proponents have chosen not to advance in the federal process until the provincial dispute resolution process is complete.

IAAC has stuck to the letter of the law in achieving a service standard of 180 days. But the purpose of the Planning phase was to increase efficiency and parsimony. **The near-complete failure to date to meet a goal of 180 days without invoking a suspension indicates that the Planning phase is not working as it was originally intended or envisioned,** and substantial changes are clearly needed to achieve that objective.

Some reasons for stopping the clock may be unavoidable (pandemic, dispute resolution, provincial coordination). However, others indicate there may be more systemic problems – a mis-alignment between what Planning is intended to achieve, the time in which it is supposed to achieve it, and the processes used to complete it.

This doesn’t appear to be a learning-curve issue. Rather, the continued long timelines for projects still in the Planning phase indicate a systemic problem – one that undermines the key objective of re-designing the federal impact assessment system to achieve improved efficiency.

The data also do not bode well for the likelihood of completing subsequent phases in a timely manner, as subsequent phases are more complex and have longer timelines than Phase 1 planning.

There is a caveat. Despite taking longer than the intended six months, the **Planning phase may still succeed in reducing the overall timeline** of the impact assessment process, particularly if the information request process – which had taken months to years under CEAA 2012 – is successfully avoided.

* Some of these reasons were provided by or validated by IAAC; others emerged from our interviews with IA practitioners and project proponents.

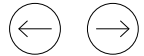
127 days

693 days

**Table 1:** Projects in Phase 1 – Planning

	PROJECT NAME	Start date for PHASE 1	Date PHASE 1 completed	Days “on the clock”	Time limit suspended or extended	Total days
Projects that completed PHASE 1	Tilbury Phase 2 LNG Expansion	2/27/2020	1/20/2022	146 days	537 days	693 days
	GCT Deltaport Expansion – Berth Four	9/28/2020	5/31/2022	180 days	430 days	610 days
	Eskay Creek Revitalization	7/30/2021	11/18/2022	155 days	321 days	476 days
	Suncor Base Mine Extension	3/2/2020	5/31/2021	178 days	277 days	455 days
	Gazoduq	10/22/2019	7/17/2020	179 days	90 days	269 days
	Wasamac Gold Mine	8/6/2020	3/26/2021	180 days	52 days	232 days
	Upper Beaver Gold Project	9/13/2021	4/20/22	180 days	39 days	219 days
	Value Chain Solutions – Heartland Complex Expansion Project	11/19/2020	6/25/2021	178 days	40 days	218 days
	Webequie Supply Road	8/28/2019	2/24/2020	180 days	0 days	180 days
	Marten Falls Community Access Road	8/28/2019	2/24/2020	180 days	0 days	180 days
	Cedar LNG	9/19/2019	1/24/2020	127 days	0 days	127 days
Projects currently in PHASE 1 – days elapsed as of February 23, 2023	Fording River Extension	10/14/2020		37 days	825 days	862 days
	Ksi Lisims LNG	7/16/2021		101 days	486 days	587 days
	Tent Mountain Mine Redevelopment	11/25/2021		49 days	406 days	455 days
	Spanish Mountain Gold	3/15/2022		153 days	192 days	345 days
	Alexandra Bridge Replacement	2/23/2022		109 days	228 days	337 days
	Georgina Island Fixed Link Bridge	4/26/2022		57 days	246 days	303 days
	Troilus Mining	5/30/2022		110 days	159 days	269 days
	Hydrogen Ready Power Plant	6/13/2022		60 days	195 days	255 days
	Crawford Nickel Project	8/8/2022		143 days	56 days	199 days
	Sorel-Tracy Port Terminal	9/26/2022		136 days	14 days	150 days
	Marban Gold Mine	12/1/2022		67 days	17 days	84 days
	Northern Road Link Project	2/21/2023		2 days	0 days	2 days

Source: Data compiled by the Canada West Foundation



What is likely to happen in Phase 2 and beyond

As described above, 11 projects completed the Planning phase. What happens to them next? The answer is: a real mixed bag of outcomes.

The status of the 11 projects is shown in *Table 2*.

- Cedar LNG was re-routed to the B.C. assessment process and received approval from both orders of government in March, 2023. The project now needs to receive permits* and then can proceed to construction.
- The Eskay Creek and Tilbury projects are in process, but like Cedar LNG have been moved from the federal to the B.C. provincial system.
- Five projects are progressing through Phase 2 – Impact Statement under IAAC. In this phase, the proponent prepares its application, including its own assessment (prepared by an independent consultant) of likely impacts and proposed mitigation measures. As shown in the table, one project may complete this phase in March, 2024; the others are slated to complete it in 2025, 2026 and 2027.
- Three projects appear highly unlikely to move forward: Gazoduc, the Suncor Base Mine Extension, and VCS's Heartland Complex Expansion Project. The reasons for each are explained in *Table 2*.

The Suncor Base Mine Extension project in particular shines a light on the process under the IAA – and depending on your perspective, may be considered a success or a failure. The project entered Phase 2 on May 31, 2021. On April 6, 2022, ECCC Minister Stephen Guilbeault issued a letter to Suncor stating that estimated GHG emissions from the proposed project would not be acceptable and that the project application would not succeed under the IAA if Suncor were to progress the application. What is successful about this: Suncor heard the “no” relatively early and not at the very end of the process. What is less successful: the “no” didn’t arrive at the end of Phase 1, which is supposed to surface exactly these kinds of issues, but rather almost a year after Phase 2 began, costing Suncor additional time and money. In addition, this decision reinforces the concern of some critics that the IAA process will be used in place of explicit policy on critical issues such as allowable levels of GHG emissions. While the ECCC Minister has put forward tentative plans for a GHG emissions cap from the oil and gas sector, no regulation has yet been introduced through order-in-council.

Once these projects complete Phase 2 – Impact Statement, they will move to Phase 3, the government’s own impact assessment, and then to decision-making. The earliest that this can reasonably happen for any project is late 2025; and it will more likely be 2027 before a small number of projects begin to emerge. What this means is that we are looking at several more years before we understand how well the federal government’s impact assessment and decision-making phases are working: the phases that have historically been the most challenging and where major changes to the process have been made.

* Permits are different than project approval under an impact assessment process. Permits are required for a limited number of specific activities such as releasing air contaminants, crossing water bodies or disposing of sewage, for example.





Table 2: Status of projects in Phase 2 and later

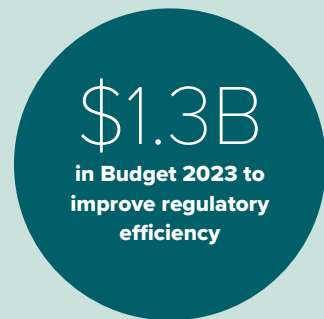
APPROVED	Cedar LNG	Moved under substitution to the B.C. impact assessment process.	Approved by both B.C. and the federal government in March, 2023
Substituted – moved to the B.C. process	Eskay Creek Revitalization	Moved under substitution to the B.C. impact assessment process.	Proceeding, but under B.C. process
	Tilbury Phase 2 LNG Expansion	Moved under substitution to the B.C. impact assessment process.	Proceeding, but under B.C. process
Proceeding through Phase 2	GCT Deltaport Expansion – Berth Four	This project entered Phase 2 on May 31, 2022. No changes or extensions have been posted since that time.	Projected date to finish Phase 2: May, 2025
	Upper Beaver Gold Project	This project entered Phase 2 in April, 2022. No changes or extensions have been posted since that time.	Projected date to finish Phase 2: April, 2025
	Wasamac Gold Mine	This project entered Phase 2 in March, 2021. No changes or extensions have been posted since that time.	Projected date to finish Phase 2: March, 2024
	Marten Falls Community Access Road	Although it's called a community access road, this project is a road linking Ontario's proposed Ring of Fire to the provincial highway network. The Marten Falls project entered Phase 2 in February, 2020. In January, 2023, IAAC issued an extension of three years and five months in response to a request by the proponent, the Marten Falls First Nation. The reasons given by the proponent were the impact of COVID, forest fires and weather conditions on the ability to complete work. The new date for completion of Phase 2 is July, 2026. This extension will bring Phase 2 to approximately 6.5 years.	Projected date to finish Phase 2: July, 2026
	Webequie Supply Road	This project is also a road into Ontario's proposed Ring of Fire. The project entered Phase 2 in February, 2020. However, the proponents (the Webequie First Nation) asked for and in January, 2023 received an extension of three years and ten-and-a-half months to prepare the impact statement. The reasons given by the proponent were the impact of COVID on the ability to conduct consultation and engagement activities during this phase, and a COVID-related delay in receiving provincial Terms of Reference. Phase 2 has a mandated timeline of three years; the extension will bring it to almost seven years. In this instance, the delay appears tied to the (hopefully) unique event of the pandemic.	Projected date to finish Phase 2: January, 2027
Unlikely to proceed	Gazoduq	Gazoduq proposed a 780 km natural gas pipeline to connect TC Energy's existing gas transmission system in northeastern Ontario to the Énergie Saguenay Project, a proposed LNG facility in Saguenay, Québec. The Gazoduc pipeline project moved into Phase 2 (the preparation of an impact statement) on July 17, 2020. However, the LNG facility that the pipeline would serve was rejected by the Quebec government in July of 2021, and was rejected by the federal government in February 2022 (under CEEA 2012) and is now thoroughly dead. This likely renders the pipeline useless and while the project application under the IAA has not yet been officially terminated, there is no reason for the proponents to continue to advance the application.	Unlikely to proceed
	Suncor Base Mine Extension	The Suncor Base Mine Extension project entered Phase 2 on May 31, 2021. On April 6, 2022, ECCC Minister Stephen Guilbeault issued a letter to Suncor stating that estimated GHG emissions from the proposed project would not be acceptable and that the project application would not succeed under the IAA if Suncor were to progress the application. This may be considered a limited success, in that it is better for a proponent to receive this information after the Planning phase than at the end of the entire assessment, as happened with the Northern Gateway project. Suncor has not yet withdrawn its application and has been granted an additional nine months to prepare information should it decide to move forward. However, it is unlikely that Suncor would decide to proceed under these conditions.	Unlikely to proceed
	Value Chain Solutions – Heartland Complex Expansion Project	The Value Creation Group is considering withdrawing from the federal IAA process and revising their application for provincial review only.	Unlikely to proceed

Source: Data compiled by the Canada West Foundation



Conclusion

What does it all mean?



One of the federal government's objectives in reforming the impact assessment process was to increase efficiency and decrease timelines. Experience so far with Phase 1 – Planning provides mixed results.

First, IAAC consistently met its legislated limits of 180 days of Agency time. However, the total time that proponents spend in that phase has been much longer than that mandated time frame, with the average length of Phase 1 not 180 days, but 332 days (range of 127 to 693 days). Third, Phase 1 was designed to speed things up for the back end of the IA process, and we won't know for several years whether or not it has been successful in doing that.

The issues addressed in an impact assessment are truly complex and require careful thought as well as appropriate opportunity for Indigenous groups and others to participate. Phase 1 – Planning has the potential to improve both quality and timeliness of the overall assessment by allowing concerns to surface at an early stage. But the flip side is the risk that the process becomes overblown and unmanageable from the outset. Was the government overly optimistic in thinking that Phase 1 outcomes could actually be achieved in six months? Or have the demands on proponents in Phase 1 grown out of proportion to what was originally intended? It appears to be a mix of both.

The federal government and others have recognized that regulatory efficiency needs to be improved and has earmarked \$1.3 billion in Budget 2023 to be used by IAAC, the Canada Energy Regulator and 10 other departments to improve regulatory efficiency.

And it's not just proponents and investors who benefit from efficient project review processes, but everyone: host communities and Indigenous groups who live with uncertainty until a decision has been made; taxpayers who foot the bill for the process; and government personnel who have many competing demands on their time.

It will be several more years before the Agency starts to amass substantial experience with the latter phases of the new IAA process. Will the new process work beautifully, immediately? Will problems emerge that need to be fixed? And most importantly – until these questions are answered, will companies continue to hesitate to put projects forward?



Appendix

25 projects included in the analysis

Click project name to hyperlink directly to
Impact Assessment Registry page




Appendix: 25 projects included in the analysis

Name	Proponent	Project Type	Province
Highway 413 Project	Ontario Ministry of Transportation	Highways and Roads	ON
Vista Coal Underground Mine Project and Vista Mine Phase II Expansion Project	Coalspur Mines (Operations) Ltd.	Mines and Minerals	AB
Alexandra Bridge Replacement Project	Public Services and Procurement Canada, in collaboration with the National Capital Commission	Bridges	QC, ON
Crawford Nickel Project	Canada Nickel Company	Mines and Minerals	ON
Fording River Extension Project	Teck Coal Limited	Mines and Minerals	BC
Georgina Island Fixed Link Project	Chippewas of Georgina Island First Nation	Bridges	ON
Hydrogen Ready Power Plant Project	Eastern Power Inc.	Power plant	ON
Marban Gold Mine Project	O3 Mining	Mines and Minerals	QC
Northern Road Link Project	Marten Falls First Nation and Webequie First Nation	Highways and Roads	ON
Sorel-Tracy Port Terminal Project	QSL International Ltd.	Ports and Harbours	QC
Tent Mountain Mine Redevelopment Project	Montem Resources Alberta Operations Ltd.	Mines and Minerals	AB
Troilus Mining Project	Troilus Gold Corp.	Mines and Minerals	QC
Ksi Lisims LNG – Natural Gas Liquefaction and Marine Terminal Project	Nisga'a Nation, Rockies LNG Limited Partnership and Western LNG LLC	Oil and Gas	BC
Spanish Mountain Gold Project	Spanish Mountain Gold Ltd.	Mines and Minerals	BC
Gazoduq Project	Gazoduq Inc.	Oil and Gas	ON, QC
GCT Deltaport Expansion – Berth Four Project	GCT Canada Limited Partnership	Ports and Harbours	BC
Marten Falls Community Access Road Project	Marten Falls First Nation	Highways and Roads	ON
Suncor Base Mine Extension Project	Suncor Energy Inc.	Oil and Gas	AB
Upper Beaver Gold Project	Agnico Eagle Mines, Limited (Agnico Eagle)	Mines and Minerals	ON
Value Chain Solutions – Heartland Complex Expansion Project	Value Chain Solutions Inc.	Oil and Gas	AB
Wasamac Gold Mine Project	Yamana Gold Inc.	Mines and Minerals	QC
Webequie Supply Road Project	Webequie First Nation	Highways and Roads	ON
Eskay Creek Revitalization Project	Skeena Resources Limited	Mines and Minerals	BC
Tilbury Phase 2 LNG Expansion Project	FortisBC Holdings Inc.	Oil and Gas	BC
Cedar LNG Project	Cedar LNG Partners LP	Oil and Gas	BC

Source: Data compiled by the Canada West Foundation

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