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November 15th, 2013

Submitted by email to: livingwatersmart@gov.bc.ca

Water Sustainability Act
Ministry of Environment, Water Protection and Sustainability Branch,
PO Box 9362 Stn Prov Gov, Victoria BC, V8W 9M2

Re: Shell's Response to A *Water Sustainability Act for B.C. Legislative Proposal*

Dear Sir or Madam:

As you are aware Shell plays an active role in the exploration and development of shale and tight resources in British Columbia, Canada and globally. We believe this resource needs to be developed in a safe and responsible manner and have developed a set of five global onshore tight/shale oil and gas operating principles that provide a framework for protecting water, air, wildlife and the communities in which we operate.

Our principles are underpinned by a deliberate focus on safety, continuous improvement, collaboration with regulators and engagement with local residents where we strive to be open and transparent about how we operate and the impacts of our activities. We support regulations consistent with these principles which are designed to reduce risks to the environment and keep those living near our operations safe. It is with these operating principles in mind that we have reviewed and commented on the Ministry of Environment's: *A Water Sustainability Act for B.C. Legislative Proposal*.

Shell Canada appreciates the opportunity to comment on the *Water Sustainability Act for B.C. Legislative Proposal* and welcomes follow up discussions with the Ministry of Environment on any comments provided.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christa Seaman', is located below the 'Sincerely,' text.

Christa Seaman, P.Eng
Emerging Regulatory Policy Issue Advisor
Hydraulic Fracturing Lead
Shell Canada

Comments on A Water Sustainability Act for B.C. Legislative Proposal

Section	Page	Comment	Proposed Solution
2.3.2	19	Does the tool for the RWM to complete an initial simplified Environmental Flow Needs Assessment (e.g., desk-top assessment) exist?	Provide clarity on the criteria for complex and small applications and timing for the tools to complete the EFNAs.
2.3.4	36	The revised proposal that saline water could be defined in the WSA as groundwater found under 600 metres below the ground surface that contains either: >10,000 mg/L total dissolved solids; or > 4,000 mg/L total dissolved solids and contains amounts of hydrocarbons or hydrogen sulfide is overly conservative and may provide a disincentive to saline groundwater use by oil and gas industry. Current definition of saline water includes groundwater that is unsuitable for human use and/or livestock and agriculture. The rationale and scientific basis for changing this definition is unclear.	Groundwater that is unsuitable for human consumption or agricultural and livestock use (using depths <300 metres and TDS thresholds consistent with applicable Canadian water quality guidelines) should be exempt from regulation. The definition of saline water should be consistent with Canadian water quality guidelines and other jurisdictions.
2.3.5	48	Critical Environmental Flow (CEF) threshold not defined. It is also unclear if CEF will be component of EFN assessments going forward.	Determine the responsible party for determination of CEF and whether they need to be incorporated into EFN (simple and/or complex). Provide clarity on threshold values and tools to determine these values. Provide clarity on the decision-making process proposed for assigning the indicator (e.g., 7Q10 vs. 7Q20) used in establishing the CEF.
2.3.5	49	The existing first-in-time first-in-right (FITFIR) system of water licence and short-term use approval priorities would be maintained and the priority dates for groundwater licences and approvals would be integrated with those for surface water.	While continuing to respect FITFIR principles, the ability of licence holders to work together on creative solutions to share water during times of drought or scarcity should be permitted.

Section	Page	Comment	Proposed Solution
2.3.6	55	The basis for the proposed 30 year licence review cycle is not clear. Moreover, the schedule for review for existing licences (i.e., is it based on when the original licence was issued or date of precedence) is also unclear.	Provide clarity on the implementation timeline and schedule to ensure that that any potential backlog of review effort that may be managed against the public expectation of fulfilling this commitment.
2.3.6	58	It is unclear how Area Based Regulations fit or do not fit within WSPs. How these components are linked and which takes precedence is unclear. The criteria for determining need for Area Based Regulation is also not clear.	Provide information on how these tools (ABR and WSP) are intended to work in concert to manage resources. Clarification of how ABR will be determined and how that will affect existing WSP is needed.