

Gas plant must curb emissions, watchdog says

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A proposed \$500-million natural gas processing plant in northeastern British Columbia will become the province's single-largest source of carbon dioxide unless the government tightens the rules for greenhouse gas emissions, the Pembina Institute said Monday.

EnCana and a consortium of gas producers are seeking approval from the B.C. environmental assessment office to build the Cabin gas plant 60 kilometres northeast of Fort Nelson, to process large volumes of gas that are expected to be produced from the sprawling Horn River Basin.

Horn River has been cited as one of North America's largest potential gas plays and in the past two years has fattened the provincial treasury with hundreds of millions of dollars in bonus bids for drilling rights.

When fully operational, the plant will annually emit 2.166 million tonnes of carbon dioxide -- about twice the CO₂ output of B.C.'s largest emitter, Rio Tinto Alcan's aluminum smelter in Kitimat, and equivalent to 3.27 per cent of B.C.'s total industrial emissions.

Cabin would rank approximately as the 25th-largest CO₂ emitting facility in Canada. It will produce 800 million cubic feet of gas per day.

The Pembina Institute, a Calgary-based fossil-fuel watchdog group, said emissions from the Cabin gas plant "would be the equivalent of adding almost 450,000 cars to B.C. roads."

Matt Horne, B.C. energy solutions program director for Pembina, said in an interview that emissions from Cabin would be "significant on a North American basis" because the Horn River gas resource is considered one of the single-largest gas plays on the continent.

In a recent letter to the environmental assessment office, Pembina staff asks that approval for the Cabin plant include a requirement that it be equipped with low- or zero-emission technology that captures CO₂ and stores or processes it for disposal, rather than discharging it into the atmosphere.

"We think there needs to be a binding requirement for that level of emissions, and how the company achieves it should be up to them."

EnCana is leading the project on behalf of a group of producers who are now exploring Horn River and looking for a processing venue to commence operation within two years as gas production ramps up.

Cabin will provide 267 person-years of employment during the initial 18-month construction phase, and 40 to 50 full-time jobs when the plant becomes operational. Plant operations at Cabin are expected to continue for 25 years.

EnCana notes in its submission to the environmental assessment office “a strong possibility” that ramped-up gas production in B.C. could cause North American CO₂ emissions to drop if it displaces existing fossil fuel consumption. Natural gas is 20- to 50-per-cent cleaner per unit of energy compared to higher-carbon fuels such as coal and oil. EnCana vice-president Mike Forgo said the plant will be designed in such a way as to accommodate carbon capture and storage technology.

“We’ve got the facility capture-ready,” Forgo said. “You could come in and hook into the system without a whole lot of trouble and you could capture the CO₂.”

But Forgo said that until the provincial and federal governments enact legislation providing direction on carbon capture to industry it is difficult to act.