

# Record of Proceedings, Including Reasons for Decision

In the Matter of

Proponent Cameco Corporation

Subject Environmental Assessment Guidelines for the  
Proposed Mill Services Project at Key Lake,  
Saskatchewan

Hearing Date November 28, 2008

## **RECORD OF PROCEEDINGS**

Proponent: Cameco Corporation

Address/Location: 2121, 11<sup>th</sup> Street West, Saskatoon, Saskatchewan, S7M 1J3

Purpose: Environmental Assessment Guidelines for the Proposed Mill Services Project at Key Lake, Saskatchewan

Date of hearing: November 28, 2008

Location: Canadian Nuclear Safety Commission (CNSC) 280 Slater St., 14th. Floor, Ottawa, Ontario

Members present: M. Binder, chair

Secretary: K. McGee

Recording Secretary: P. Reinhardt

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## Introduction

1. Cameco Corporation (Cameco) has notified the Canadian Nuclear Safety Commission<sup>1</sup> (CNSC) of its intention to replace certain mill services at its Key Lake operation in northern Saskatchewan. The proposal would require the CNSC to consider an amendment to Cameco's current operating licence (UMLOL-MILL-KEY.01/2011).
2. Cameco has requested authorization to replace certain mill services at the Key Lake operation. The proposed project includes:
  - Construction and operation of new acid, steam and oxygen plant facilities;
  - Demotion and disposition of old plants;
  - Construction and operation of ancillary facilities such as a replacement storage tank and unloading facilities and a new covered gallery; and
  - Demolition and disposition of portions of the old ancillary facilities.
3. Before the Commission is able to make licensing decisions in respect of the proposed project, pursuant to the *Nuclear Safety and Control Act*<sup>2</sup> (NSCA), it must, in accordance with the requirements of the *Canadian Environmental Assessment Act*<sup>3</sup> (CEAA), make a decision on an environmental assessment (EA) of the proposal. The Commission is the sole Responsible Authority for this EA<sup>4</sup>.
4. As a responsible authority under the CEAA, the Commission must first determine the *scope of the project* and the *scope of the assessment for the project*. To assist the Commission in this regard, CNSC staff prepared a draft Environmental Assessment Guidelines document (EA Guidelines) in consultation with other government departments, the public and other stakeholders.
5. The draft EA Guidelines "*Proposed EA Guidelines (Scope of Project and Assessment), Environmental Assessment of the Proposal by Cameco Corporation for the Mill Services Project at the Key Lake Operation in Northern Saskatchewan*" contains draft statements of scope for the approval of the Commission. The draft EA Guidelines also contain recommendations for the approach to be used in completing the EA, including instructions for the conduct of further public and stakeholder consultations. The draft EA Guidelines are presented in the CNSC staff document CMD 08-H142.

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<sup>1</sup> The *Canadian Nuclear Safety Commission* is referred to as the "CNSC" when referring to the organization and its staff in general, and as the "Commission" when referring to the tribunal component.

<sup>2</sup> S.C. 1997, c. 9.

<sup>3</sup> S.C. 1992, c.37.

<sup>4</sup> Responsible Authority in relation to an EA is determined in accordance with subsection 11(1) of the CEAA.

### Issues

6. In considering the EA Guidelines, the Commission was required to decide, pursuant to subsections 15(1) and 16(3) of the CEAA respectively on:
  - a) the *scope of the project* for which the EA is to be conducted; and
  - b) the *scope of the factors* to be taken into consideration in the conduct of the EA.
7. The Commission also considered whether it would, at this time, recommend to the federal Minister of the Environment, pursuant to section 25 of the CEAA, to refer the project to a mediator or a review panel.
8. The Commission considered whether it would, pursuant to subsection 17(1) of the CEAA, delegate the conduct of technical support studies to Cameco and the writing of the technical Report to CNSC staff or the proponent.
9. Furthermore, the Commission undertook to decide whether or not it will consider the completed EA Screening Report (Screening Report) in a public hearing or in a closed session.

### Public Hearing

10. Pursuant to section 22 of the NSCA, the President of the Commission established a Panel of the Commission to hear this matter.
11. The hearing was conducted in accordance with the Commission's process for determining matters under the CEAA. During the hearing, the Commission received written submissions from CNSC staff (CMD 08-H142) and Cameco (CMD 08-H142.1).

### **Decision**

12. Based on its consideration of the matter, as described in more detail in the following sections of this *Record of Proceedings*,

the Canadian Nuclear Safety Commission, pursuant to sections 15 and 16 of the CEAA, approves the "*Proposed EA Guidelines (Scope of Project and Assessment), Environmental Assessment of the Proposal by Cameco Corporation for the Mill Services Project at the Key Lake Operation in Northern Saskatchewan*".

13. The Commission decides that it will not, at this time, refer the project to the federal Minister of the Environment for his referral to a mediator or review panel. The Commission notes that it may make such a referral at any time during the course of the EA process if warranted.
14. The Commission decides that it will delegate the conduct of technical support studies to the proponent, Cameco, and the writing of the EA Screening Report to CNSC staff.
15. Finally, the Commission decides that it will consider the completed EA Screening Report in the context of a closed session of the Commission.

### **Issues and Commission Findings**

#### **Type of Environmental Assessment Required**

##### *Screening vs. Comprehensive Study*

16. The proposed project is not of the type identified in the *Comprehensive Study List Regulations*<sup>5</sup>. Therefore, pursuant to subsection 18(1) of the CEAA, the CNSC is required to ensure that a screening EA of the project is performed and a Screening Report prepared before a licensing decision to allow the project to proceed in whole or in part can be made by the Commission under the NSCA.
17. Based on information included in CNSC staff's submission, there are not, at this point in time, potential significant environmental effects or public concern associated with the project that would warrant having the project referred to a mediator or a review panel. The Commission concludes that, pursuant to the CEAA, a screening EA of the project is satisfactory.

#### **Consultations on the Draft EA Guidelines**

18. As part of its review of the adequacy of the draft EA Guidelines and, in particular, to assess the level of public concern about the project, the Commission took account of the views of the public and other stakeholders. In this regard, the Commission considered whether the consultations carried out thus far by CNSC staff and the proponent provided the public and other stakeholders with adequate opportunity to become informed and express their views about the EA.

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<sup>5</sup> S.O.R./94-638.

*Public Consultation*

19. With respect to public consultation on the draft EA Guidelines, CNSC staff reported that a public registry was established for this environmental assessment, as required by section 55 of the CEAA, and identified in the Canadian Environmental Assessment Registry with the following number: **08-01-40614**. Due to the nature of the proposed Mill Services Project, with limited potential for environmental interactions on a site that is well characterized, and its objective to improve operations by removing and replacing aging facilities, CNSC staff recommended that no formal public review period for documentation related to this EA be required. Similarly, CNSC staff does not anticipate issues to be raised about current use of lands for traditional purposes by aboriginal peoples. Throughout the EA process, milestones activities will be posted on the CEAR and on CNSC Web site. As part of the public registry, the CNSC maintains a list of documents pertaining to the environmental assessment available to interested parties on request.

*Government Consultation*

20. CNSC staff reported that, in accordance with the CEAA *Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements*<sup>6</sup>, it had identified the following federal authorities for the purpose of providing expert assistance during the environmental assessment: Health Canada, Fisheries and Oceans Canada, and Environment Canada.
21. CNSC staff has also consulted with Saskatchewan's Environmental Assessment Branch who has determined that no EA was required to be conducted for this project under their provincial legislation.<sup>7</sup>

*Conclusion on the EA Guidelines Consultation*

22. As recommended by CNSC staff, no formal public review period for documentation related to this EA has been conducted due to the fact that no concerns either from the public or the Aboriginal people were anticipated.
23. The Commission is satisfied that to ensure transparency of the process to the public during the EA, milestones activities will be posted on the CEAR and on CNSC Web site. The Commission also noted that as part of the public registry, the CNSC maintains a list of documents pertaining to the environmental assessment always available to interested parties on request.

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<sup>6</sup> S.O.R./97-181.

<sup>7</sup> S.S. 1979-1980, c. E-10.1.

### **Environmental Assessment Studies and EA Screening Report**

24. The Commission determines the process to be followed for the EA Screening Report, including if the EA Screening studies are to be delegated to Cameco and if the Screening Report will be reviewed in the context of a public hearing of the Commission.
25. CNSC staff recommended that, pursuant to Subsection 17(1) of the CEEA, the technical studies required by CEEA be delegated to Cameco. Cameco will be provided with the guidelines to carry out the environmental assessment studies and will later submit to CNSC staff a detailed Environmental Impact Statement (EIS) report detailing the studies and results. The EIS report will undergo CNSC staff and other Federal Authorities' review before CNSC staff prepares the EA Screening Report and submits it to the Commission for consideration.
26. CNSC staff recommended that the EA Screening studies be delegated to Cameco and the final EA Screening Report be considered by the Commission in the context of a closed session of the Commission. CNSC staff based its recommendation on the nature of the Mills Services Project where all the activities proposed are to be conducted within the existing site, therefore having limited environmental interactions on a site that is already well characterized.
27. Based on CNSC staff's recommendation, the Commission decided to delegate the EA Screening studies to Cameco and hold the Commission's review of the EA Screening Report for this project in a closed session.

### **Scope of the Project**

28. CNSC staff reported in section 2.1 of the EA Guidelines the physical works involved in the project:
  - construction and operation of replacement acid, steam and oxygen plant facilities;
  - construction and operation of ancillary facilities (replacement of storage tank farm and unloading facilities, and new covered gallery);
  - demolition and disposal of the old plant facilities once the new ones are operational; and
  - demolition and disposal of portions of the old ancillary facilities which are no longer required.
29. CNSC staff noted that the physical work for this proposal is the infrastructure associated with the Key Lake mill.



30. CNSC staff included in the draft EA Guidelines a list of factors to be considered pursuant to subsection 16(1) of the CEAA to assess effects on the environment of the project including the effects of malfunction and accidents and cumulative effects. The guidelines also provide the proposed format of the EA Screening Report and identify specific information requirements and the methodology to be used in the assessment.
31. CNSC staff concurred with Cameco's project description and with the types of effects generated by the project.
32. Based on the information received, the Commission accepts CNSC staff's recommendations concerning the *scope of the project* and approves the definition of the project scope as set out in sections 2.1 and 2.2 of the draft EA Guidelines without change.

#### **Scope of the Assessment (scope of the factors)**

33. The mandatory factors in subsection 16(1) of the CEAA are: the environmental effects of the project, including the environmental effects of malfunctions or accidents that may occur in connection with the project and any cumulative environmental effects that are likely to result from the project in combination with other projects or activities that have been or will be carried out; the significance of these effects; the comments from the public that are received in accordance with the CEAA and its regulations; and measures that are technically and economically feasible and that would mitigate any significant adverse environmental effects of the project.
34. CNSC staff recommended that the Commission approve the scope of the assessment as outlined in the EA guidelines.

#### *Conclusion on the Scope of the Assessment*

35. Based on the above information reported by CNSC staff, the Commission concludes that the *scope of the assessment*, as described in section 2.3 of the draft EA Guidelines, is appropriate for the purpose of the environmental assessment of the proposed project.

### **EA Structure and Approach**

36. CNSC staff included in section 3 of the EA Guidelines an extensive structure for the Screening Report. CNSC staff also stated that the Screening Report will present a conclusion as to whether the project is likely to cause significant adverse environmental effects, taking into account the appropriate mitigation measures. CNSC staff will make recommendations to the Commission related to the project when the EA report will be available, consistent with section 20 of the CEAA.
37. Based on the CNSC staff recommendation, the Commission is satisfied with the structure, approach, and other instructions for conducting the EA, as described in the EA Guidelines attached to CMD 08-H142.

### **Public Concern on the Project**

38. No concerns from the public were raised during the public consultation on the EA Guidelines.

### **Conclusion**

39. The Commission has considered the submissions of CNSC staff as presented for reference on the record for the hearing.
40. The Commission, pursuant to sections 15 and 16 of the CEAA, approves the *Proposed EA Guidelines (Scope of Project and Assessment), Environmental Assessment of the Proposal by Cameco Corporation for the Mill Services Project at the Key Lake Operation in Northern Saskatchewan* presented in CMD 08-H142.
41. The Commission also concludes that, at this time, it will not refer the project to the federal Minister of the Environment for referral to a mediator or review panel in accordance with the provisions of the CEAA.
42. The Commission decides that, pursuant to subsection 17(1) of the CEAA, the conduct of technical support studies will be delegated to Cameco Corporation.
43. Furthermore, the Commission decides that the completed EA Screening Report will be considered by the Commission for approval in a closed session.



NOV 28 2008

Michael Binder  
President,  
Canadian Nuclear Safety Commission

Date