



Canadian Nuclear
Safety Commission

Commission canadienne
de sûreté nucléaire

Record of Proceedings, Including Reasons for Decision

In the Matter of

Proponent Cameco Corporation

Subject Proposed Project-Specific Guidelines Scoping
Document for the Preparation of an
Environmental Impact Statement for Cameco
Corporation's Key Lake Extension Project

Hearing Date August 12, 2011

RECORD OF PROCEEDINGS

Proponent: Cameco Corporation

Address/Location: 2121 – 11th Street West, Saskatoon, Saskatchewan, S7M 1J3

Purpose: Proposed Project-Specific Guidelines Scoping Document for the Preparation of an Environmental Impact Statement for Cameco Corporation's Key Lake Extension Project

Application received: March 3, 2010

Date of hearing: August 12, 2011

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

Members present: M. Binder, Chair

Secretary: M. Leblanc

Recording Secretary: D. Major

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Introduction

1. In March 2010, Cameco Corporation (Cameco) notified the Canadian Nuclear Safety Commission¹ (CNSC) of its intention to extend the life of the Key Lake operation through the Key Lake Extension Project. The Key Lake operation is an uranium milling operation located in northern Saskatchewan.
2. Cameco has requested authorization to extend the life of the Key Lake operation, through an expansion that would facilitate continued production from McArthur River and provide the ability to accommodate the processing of uranium ore from other deposits.
3. Cameco proposes the following activities:
 - increase the approved capacity of the existing Deilmann tailings management facility (DTMF);
 - increase the nominal average annual production capacity of the Key Lake mill, including any physical changes required to allow uranium processing and waste-handling and treatment systems at the higher production rate;
 - install and/or modify infrastructures and mill process equipment to permit the processing of a wider range of ore and receipt of waste rock types from other uranium deposits; and
 - modify and convert mill processes.

The scope of the project includes the milling of other uranium deposits at the Key Lake operation.

4. Before the Commission is able to make licensing decisions with respect to the proposed project pursuant to the *Nuclear Safety and Control Act*² (NSCA), it must make a decision on an environmental assessment (EA) of the proposal in accordance with the requirements of the *Canadian Environmental Assessment Act*³ (CEAA). The Commission is a Responsible Authority (RA)⁴ for the EA.
5. As a RA 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 an Environmental Assessment Scoping Information Document (EASID) (formerly EA Guidelines) in consultation with other government departments, the public and other stakeholders.

¹ 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.

² Statutes of Canada (S.C.) 1997, chapter (c.) 9.

³ S.C. 1992, c.37.

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

6. The proposed EASID “*Project-Specific Guidelines Scoping Document for the Preparation of an Environmental Impact Statement – Key Lake Operation Extension Project, Cameco Corporation*” contains draft statements of scope for the approval of the Commission. The draft EASID also contain recommendations and instructions for the approach to be used in completing the EA, including the conduct of public and stakeholder consultations. The draft EASID are presented in the CNSC staff document CMD 11-H106.

Issues

7. In considering the EASID, the Commission was required, pursuant to subsections 15(1) and 16(3) of the CEAA respectively, to decide:
 - 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.
8. The Commission 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.
9. The Commission also 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.
10. Furthermore, the Commission undertook to decide whether or not the Commission’s consideration of the completed EA Screening Report (Screening Report) would be by way of a public or closed hearing held by the Commission.

Hearing

11. Pursuant to section 22 of the NSCA, the President of the Commission established a Panel of the Commission to review the application. The Commission, in making its decision, considered information presented for a hearing held on August 12, 2011 in Ottawa, Ontario. The hearing was conducted in accordance with the Commission’s process for determining matters under the CEAA. During the hearing, the Commission considered written submissions from CNSC staff (CMD 11-H106) and Cameco (CMD 11-H106.1).

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 *Project-Specific Guidelines Scoping Document for the Preparation of an Environmental Impact Statement – Key Lake Operation Extension Project, Cameco Corporation*.

13. The Commission decides that it will not, at this time, refer the project, pursuant to section 25 of the CEAA, 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.
15. Finally, the Commission decides that it will consider the completed EA Screening Report in the context of a closed session of the Commission, unless circumstances or findings warrant the matter being considered at a public hearing of the Commission.

Issues and Commission Findings

Type of Environmental Assessment Required

Screening vs. Comprehensive Study, Review Panel or Mediation

16. The proposed project is not of a type identified in section 19 of the *Comprehensive Study List Regulations*⁵. 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 is prepared before a licensing decision to allow the project to proceed can be made by the Commission under the NSCA.
17. Based on information included in CNSC staff's submission, the Commission is of the opinion that, at this time, there are no 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. However, because the Commission may make such a referral at any time, the Commission requests that CNSC staff inform the Commission in a timely manner of any significant issues or public concerns that arise during the conduct of the EA and which may warrant further consideration of the need for a review panel or mediator, or the conduct of a public hearing.

⁵ SOR/94-638.

Scope of the Project

18. “Scope” under the CEAA is expressed in two parts: the *scope of the project* (i.e., the physical works and activities proposed) and the *scope of assessment* (i.e., the scope of the factors to be considered in assessing the effects of the project). This section addresses only the issues relating to the *scope of the project*. The issues related to the *scope of assessment* are discussed below in the section entitled Scope of the Assessment.
19. Cameco proposes the following activities:
 - increase the approved capacity of the existing Deilmann tailings management facility (DTMF);
 - increase the nominal average annual production capacity of the Key Lake mill, including any physical changes required to allow uranium processing and waste-handling and treatment systems at the higher production rate;
 - install and/or modify infrastructures and mill process equipment to permit the processing of a wider range of ore and receipt of waste rock types from other uranium deposits; and
 - modify and convert mill processes.

The scope of the project includes the milling of other uranium deposits at the Key Lake operation.

20. Based on the information received, the Commission approves the definition of the project scope as set out in section 2.4.1 of the EASID without change.

Scope of the Assessment

21. The other part of “scope” under the CEAA is the *scope of the assessment* – otherwise described in the CEAA as the scope of the factors that will be considered in assessing the environmental effects of the project.
22. The scope of a screening assessment under the CEAA must include the factors set out in paragraphs 16(1)(a) to (d) of the CEAA. Other factors may be included at the discretion of the Commission under paragraph 16(1)(e) of the CEAA.
23. 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
 - the measures that are technically and economically feasible and that would mitigate any significant adverse environmental effects of the project.
24. In section 2.4.3 of the proposed EASID, CNSC staff described the list of environmental components likely to be affected by the project that are to be considered by the RAs in the EA. In section 2.4.4, CNSC staff described the geographic study areas (site, local and regional study areas) and the temporal boundaries for the project (defined as the site preparation, construction, operation, and decommissioning period for the project).

Conclusion on the Scope of the Assessment

25. Based on the above information and considerations, the Commission concludes that the scope of the assessment, as described in sections 2.4.2 to 2.4.4 of the EASID, is appropriate for the purpose of the environmental assessment of the proposed project.

Consultations on the Draft Environmental Assessment Scoping Information Document

26. As part of its review of the adequacy of the draft EASID, 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.

Public and Aboriginal Consultation

27. With respect to public consultation on the draft EASID, CNSC staff reported that it had established a public registry for the assessment as required by Section 55 of the CEAA, including the identification of the EA in the Canadian Environmental Assessment Registry (CEAR) with the following number: 10-01-55518. Based on the public participation criteria and rationale provided in Appendix B of the proposed EASID, it was determined that Cameco's proposal requires a 'low level' of public participation. Public participation is managed by CNSC staff using the following activities:
- posting milestone activities throughout the EA process on the CNSC and CEAR Web sites;
 - maintaining a list of documents pertaining to the EA and making the list available to interested parties upon request; and
 - providing interested parties with copies of specific documents on the aforementioned list upon request.

28. CNSC staff reported that it will engage with any interested Aboriginal group to share information and address concerns in relation to Cameco's proposed project. CNSC staff identified 16 Aboriginal groups who may have an interest in the project and these groups were provided project specific information. CNSC staff reported that the public and Aboriginal groups were provided with an opportunity to comment on the draft Guidelines between February 25 and April 2, 2011. CNSC staff stated that nine separate submissions were received, including four from Aboriginal groups. CNSC staff further reported that interests received were project specific and did not bring up any potential or established rights issues at this point.

Government Consultation

29. CNSC is the only RA at this time. Fisheries and Oceans Canada requested additional information from the proponent to determine whether or not they are a RA for this project. CNSC staff reported that, in accordance with the *CEAA Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements*⁶, they have identified Environment Canada and Health Canada as Federal Authorities (FAs).
30. CNSC staff have also consulted the Saskatchewan Ministry of the Environment (MOE), which has confirmed that a provincial EA is required for this project. CNSC staff stated that CNSC and the MOE will conduct a joint EA based on the *Canada-Saskatchewan Agreement on Environmental Assessment Cooperation (2005)*. CNSC staff reported that information requirements of both federal and provincial agencies are included in the draft EASID in order to ensure information contained in the Environmental Impact Assessment (EIA) and Environmental Impact Statement (EIS) is sufficient to address the environmental concerns of both the Government of Saskatchewan and the Government of Canada.

Conclusion on the Environmental Assessment Scoping Information Document Consultation

31. CNSC staff noted that all comments received during the above consultations were taken into consideration in the preparation of the draft EASID. Information on the disposition of each comment was attached in Addendum D of the draft EASID (attached to CMD 11-H106).
32. The Commission is satisfied that the public and other stakeholders have been adequately consulted during the preparation of the draft EASID. The Commission is satisfied that CNSC staff has taken an active role in consulting the public. The Commission is satisfied that, for the purpose of considering whether to refer the project to the Minister for a review panel or mediation, it had sufficient information to assess the current level and nature of public concern about the project.

⁶ SOR/97-181.

Process for Environmental Assessment Screening Report

33. The Commission determines the process to be followed for the EA Screening Report, including if the EA studies would be delegated to Cameco and if the Screening Report would be reviewed in the context of a public hearing or a closed session of the Commission.
34. CNSC staff recommended that, pursuant to subsection 17(1) of the CEAA, the technical studies required by CEAA be delegated to Cameco. Cameco would be provided with the EASID to carry out the EA studies and would have to submit later to CNSC staff a detailed EIS report. The report would undergo CNSC staff and other RA/FA review before CNSC staff prepares a draft Screening Report and submits it for public consultation for a minimum period of 30 days. After the consultation, a final EA Screening report would be prepared by CNSC staff and submitted to the Commission for consideration.
35. CNSC staff recommended that the EA Screening Report be considered by the Commission in a closed session of the Commission. This recommendation is based on the EA track report and on the nature of the proposed project for which activities are expected to have limited environmental interactions on a site that is well characterized. CNSC staff noted that, if during the current EA, it became aware of changes to the above rationale, it will notify the Commission and may recommend a public hearing.
36. Based on CNSC staff's recommendation and considering the level of public interest for this project, the Commission decides to delegate the EA Screening studies to Cameco. The Commission decides that it will consider the completed EA Screening Report, possibly combined with a consideration of the licence amendment request, in the context of a closed hearing of the Commission, unless circumstances or findings warrant the matter being considered at a public hearing of the Commission.

EA Structure and Approach

37. CNSC staff included in the EASID 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 upon availability of the EA report, consistent with section 20 of the CEAA.
38. Based on the above information and considerations, the Commission is satisfied that the structure, approach and other instructions for conducting the environmental assessment, as described in the EASID attached to CMD 11-H106, are acceptable.

Public Concern on the Project

39. CNSC staff included in Addendum D of CMD 11-H106 a list of compiled comments received following the public review of the EASID along with the joint federal/provincial responses to the comments.
40. Based on the presented information and considerations, the Commission is satisfied that the concerns regarding the project, as expressed by the interveners, have been properly responded to by CNSC staff.

Conclusion

41. The Commission has considered the submissions of CNSC staff as presented for reference on the record for the hearing.
42. The Commission, pursuant to sections 15 and 16 of the CEEA, approves the *Project-Specific Guidelines Scoping Document for the Preparation of an Environmental Impact Statement – Key Lake Operation Extension Project, Cameco Corporation*, presented in CMD 11-H106.
43. The Commission 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 CEEA.
44. The Commission decides that, pursuant to subsection 17(1) of the CEEA, the conduct of technical support studies will be delegated to Cameco.
45. Furthermore, the Commission decides that the completed EA Screening Report will be considered by the Commission for approval in a closed session of the Commission, possibly combined with a consideration of the licence amendment request, unless circumstances or findings warrant the matter being considered at a public hearing of the Commission.
46. The Commission requests CNSC staff to report to the Commission on any issues arising during the conduct of the EA that could warrant the Commission giving further consideration to the above scope and process decisions.



Michael Binder
President,
Canadian Nuclear Safety Commission

AUG 12 2011

Date