

Record of Proceedings, Including Reasons for Decision

In the Matter of

Proponent Cameco Corporation

Subject Environmental Assessment Guidelines (Scope
of Project and Assessment) for a Proposed
Production Increase at Cameco Corporation's
Uranium Refinery in Blind River, Ontario

Date February 13, 2006

RECORD OF PROCEEDINGS

Proponent: Cameco Corporation

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

Purpose: Environmental Assessment Guidelines (Scope of Project and Assessment) for a Proposed Production Increase at Cameco Corporation's Uranium Refinery in Blind River, Ontario

Date(s) of hearing: January 12, 2006

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

Members present: L.J. Keen, Chair
M. J. McDill
J.A. Dosman

Secretary: M.A. Leblanc
Recording Secretary: C. Taylor
A/General Counsel: L. Thiele

CNSC staff	Document Number
<ul style="list-style-type: none">• H. Jarrett• D. Werry	CMD 06-H12

Date of Decision: January 12, 2006

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1. Introduction

On May 31, 2005, Cameco Corporation (Cameco) notified the Canadian Nuclear Safety Commission (CNSC¹) of its intent to seek the Commission's approval to increase the annual production capacity at its uranium refinery in Blind River, Ontario from 18,000 tonnes uranium trioxide to 24,000 tonnes uranium trioxide.

Before the Commission would be able to make licensing decisions pursuant to the *Nuclear Safety and Control Act*² (NSCA) in respect of the proposed project, the Commission must, in accordance with the requirements of the *Canadian Environmental Assessment Act* (CEAA)³, make a decision on an environmental assessment (EA) of the proposal. The Commission is the sole responsible authority for the EA⁴.

In carrying out this responsibility under the CEAA, the Commission must first determine the *scope of the project* and the *scope of the assessment*. 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. The draft EA Guidelines (*Proposed Environmental Assessment Guidelines (Scope of Project and Assessment) Environmental Assessment of Proposed Production Increase for the Blind River Refinery*) contains draft statements of scope for the approval of the Commission. The draft EA Guidelines also contain recommendations and instructions for the approach to be used in completing the EA, including for the conduct of further public and stakeholder consultations. The draft EA Guidelines are attached as Appendix A to CNSC staff document CMD 06-H12.

Issues:

In considering the EA Guidelines, the Commission was required to decide, pursuant to subsections 15(1) and 16(3) of the CEAA respectively:

- 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.

The Commission also considered whether it would, at this time, request the federal Minister of the Environment, pursuant to section 25 of the CEAA, to refer the project to a mediator or a review panel.

Furthermore, the Commission, in accordance with its internal EA process, undertook to decide whether or not the Commission's consideration of the completed EA Screening Report would be by way of a public hearing held by the Commission.

¹ In this *Record of Proceedings*, 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 S.C. 1997, 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.

The Hearing:

The President of the Commission, pursuant to section 22 of the NSCA, established a panel of the Commission to hear this matter.

In making its decision, the Commission considered information presented for a hearing held on January 12, 2006 in Ottawa, Ontario. The hearing was conducted in accordance with the Commission's process for determining matters under the CEAA⁵, and Rule 3 of the *Canadian Nuclear Safety Commission Rules of Procedure*. For the hearing, the Commission received a written submission from CNSC staff (CMD 06-H12). CNSC staff was also available to answer questions from the Commission during the proceeding.

2. Decision

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 *EA Guidelines (Scope of Project and Assessment), Environmental Assessment of Proposed Production Increase for the Blind River Refinery*, attached as Appendix A to CMD 06-H12, as amended below.

The Commission modifies the EA Guidelines attached to CMD 06-H12 as follows:

- In section 2.0 (Background) and 3.0 (Application of the *Canadian Environmental Assessment Act*), the references to paragraph 37(2)(d) of the NSCA are changed to refer to "subsection 24(2)" of the NSCA;
- the 13th bullet under the sub-heading "Construction, Modification and Normal Operations" beginning on page 6, is changed to read as: "the sources and characteristics of any potential risks (including radiological and non-radiological risks) to workers, the public or the environment from the project;"

The Commission also 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.

⁵ The Commission decided (ref. Minutes of Commission Meeting held on March 23, 2005) that, unless otherwise specified, Commission will not hold public hearings in respect of its decisions on the scope of environmental assessments to be conducted pursuant to the CEAA. The CNSC staff process for engaging the public and other stakeholders in the preparation of the draft EA Guidelines for presentation to the Commission at a non-public hearing is normally sufficient at this early stage in the EA process.

Furthermore, at this time, the Commission is satisfied that the Commission's consideration of the completed Screening Report will not require a public hearing of the Commission. The Commission notes, however, that, depending on the findings and level of public concern that arise during the course of the EA, the Commission may choose to revisit this decision.

3. Issues and Commission Findings

3.1 Type of Environmental Assessment Required

Screening vs. Comprehensive Study, Review Panel or Mediation:

The project is not of a type identified in the *Comprehensive Study List*. Therefore, pursuant to subsection 18(1) of the CEAA, the CNSC is required to ensure that a screening environmental assessment of the project is performed and a Screening Report is prepared.

Other available types of assessment under the CEAA are a review panel or mediation appointed by the federal Minister of the Environment. To initiate either of these alternative assessment processes, the Commission would have to refer the project to the Minister pursuant to section 25 of the CEAA. In this regard, CNSC staff stated in its CMD that CNSC staff is not aware at this time of any potential environmental effects or public concerns associated with this project which CNSC staff considers would warrant having the project referred to a mediator or review panel. In support of this, CNSC staff noted that no comments or concerns arose from a formal public review of an earlier draft of the EA Guidelines. CNSC staff also noted that the project will not involve the use of new technologies or require the addition or expansion of buildings on the site.

Based on information received, the Commission concludes that a Screening EA of the project is required pursuant to the CEAA. The Commission further decides that, at this time, it will not refer the project to the Minister of the Environment for mediation or a review panel. 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.

3.2 The Scope of the Project

“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 section 3.3.

Based on the information received, the Commission determined that the scope of the project is as defined in section 7.0 of the draft EA Guidelines. The project includes the Blind River Refinery and the construction activities required to modify the refinery to achieve the increased

production rate, and the operation of the refinery under the proposed increased production rate. The Commission notes that the construction and operation activities would include, among other things, the transportation of materials to and from the site.

3.3 The Scope of the Assessment

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.

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.

The mandatory factors in subsection 16(1) of the CEAA are: the environmental effects of the project, including as may be caused by malfunctions or accidents and any cumulative environmental effects with other projects; the significance of the effects identified above; comments from the public that are received in accordance with the CEAA and its regulations; and measures that are technically and economically feasible that would mitigate any significant adverse environmental effects of the project.

In addition to these factors, CNSC staff recommended that the Commission include, pursuant to paragraph 16(1)(e), the following factors: the purpose of the project and the need for the project; and the need for, and requirements of, a follow-up program in respect of the project.

A summary of the proposed factors is included in section 8.0 of the draft EA Guidelines presented in CMD 06-H12. The proposed factors and recommended approach to their assessment are further elaborated in section 9.0 (Assessment Methodology) of the draft EA Guidelines.

Based on its consideration of the information received, the Commission determined that the scope of the factors will be as stated in section 8.0 of the draft EA Guidelines. However, with respect to the details presented in section 9.0 of the EA Guidelines, the Commission makes one change to ensure that all types of risks to persons and the environment are considered. The item on page 7 of the draft EA Guidelines under the subheading “Construction, Modifications and Normal Operations” which reads as, “the sources and characteristics of any potential risks (including radiological risks) to the workers, the public or the environment from the project;” is changed to read as, “the sources and characteristics of any potential risks (including radiological and non-radiological risks) to the workers, the public or the environment from the project;”.

With this change, the Commission is satisfied that the structure, approach, and other instructions for conducting the environmental assessment, as described in the draft EA Guidelines attached to CMD 06-H12, are acceptable.

The Commission requests that CNSC staff closely monitor the conduct of the studies to ensure that they are being carried out in accordance with the EA Guidelines.

4. Conclusion

The Commission has considered the submissions of CNSC staff as presented for reference on the record for the hearing.

The Commission, pursuant to sections 15 and 16 of the CEAA, approves the *EA Guidelines (Scope of Project and Assessment), Environmental Assessment of Proposed Production Increase for the Blind River Refinery*, attached as Appendix A to CMD 06-H12, as amended above.

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.

Furthermore, and taking into account the proposed public consultation program which will form part of the EA process described in the EA Guidelines, the Commission is satisfied, at this time, that the completed EA Screening Report that will come before the Commission for approval will not require a public hearing.

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.

Marc A. Leblanc
Secretary,
Canadian Nuclear Safety Commission

Date of decision: January 12, 2006

Date of release of Reasons for Decision: February 13, 2006