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# CPPI PERSPECTIVE ON BROWNFIELDS REDEVELOPMENT INITIATIVES



## Presentation to the Contaminated Sites Conference

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- The Canadian Petroleum Products Institute (CPPI) is an industry association representing Canadian companies involved in the refining, distribution and/or marketing of petroleum products for transportation, home energy and industrial uses.
- The Institute represents its members on a wide range of environmental, health, safety and business issues.
- Offices in Montréal, Toronto, Calgary and Ottawa.
- In Canada, CPPI member companies operate 16 refineries, over 1500 car wash operations, 2000 service bays, 7000 gas bars 750 card/key locks and 1000 bulk fuel outlets



## Who We Are ... (cont'd)

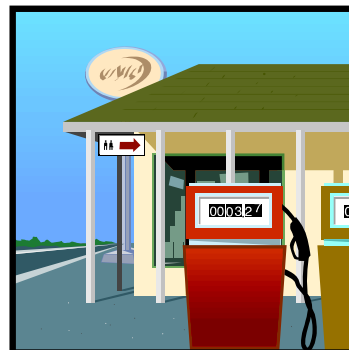


### Refining & Marketing Companies

- Chevron Canada Limited
- Husky Energy Inc.
- Imperial Oil Limited,  
Products & Chemicals Division
- NOVA Chemicals (Canada) Ltd.
- Parkland Income Fund
- Petro-Canada
- Shell Canada Products
- Suncor Energy Products Inc.
- Ultramar Ltée

### Marketing Companies

- ARCO Products Canada Limited
- Bitumar Inc.
- Canadian Tire Corporation, Limited
- ONYX Industries Inc.
- Safety-Kleen Canada Inc.





# CPPI's Economic-Driven Cleanups and Brownfields



- Due to ongoing petroleum industry rationalization, CPPI members have “declared surplus” about 3000 - 6000 sites in Canada over past 20 years
- Range of properties includes refineries, large and small terminals, service stations
- Contaminants are petroleum-based, relating to historical practices
- Many of these sites have been remediated for non-petroleum reuse (economic-driven site cleanups to generic criteria)
  - market value of site (when clean) > cost of remediation
- Brownfields remain.....



- Brownfields are defined by NRTEE as “abandoned, idle or underutilized commercial or industrial properties with known or suspected historical contamination, but where there is active potential for redevelopment”
  - market value of site (when clean) slightly above or slightly below cost of remediation + land holding cost
- Estimate 1000-2000 such sites in urban Canada controlled by CPPI members, out of a total of 30,000 brownfields
- Numerous societal benefits would result from cleanup



# Current Concerns with CPPI Site Cleanups



## (a) *“Classic” Brownfields Remediation is Virtually Zero*

- Costs to remediate to (very conservative) generic criteria generally outweigh the market value of the land
- Remediation to site specific criteria would substantially reduce costs but results in:
  - potential for ongoing civil and regulatory liability
  - limited access to or high cost financing and insurance protection
  - property stigma
  - zoning/development permit barriers
  - regulatory delays
- Result is that sites stay in “risk management mode” - receptors protected



# Current Concerns with CPPI Site Cleanups (cont'd)



## *(b) Economic-Driven Site Cleanups (c/u to generic standards) are also becoming problematic*

- Sites cleaned to generic criteria also retain liability, e.g.
  - changing criteria in future - potential future regulatory or civil action
  - changing land use post cleanup (property flips) - potential future regulatory or civil actions
  - civil court cases requiring “pristine” cleanups
- Hence a “Remediation Chill” may be developing in some provinces



# Some Regulatory Progress on Risk and Liability Fronts



- A number of Provincial initiatives.....but do not cover all aspects:
  - Most provinces have risk-based frameworks (e.g. Atlantic RBCA), but have not changed overarching legislation
  - Québec Revi-Sols program provided funding incentive (but no improved liability closure)--out of \$, may be renewed
  - Ontario Brownfields Act provides streamlined risk assessments and selected protection from regulatory liability (but not civil)
  - BC Contaminated Sites Advisory Panel recommended civil and regulatory liability closure (but not part of upcoming Environmental Management Act amendments)
  - New Brunswick regulators in agreement to explore NRTEE report recommendations on liability closure
    - Atlantic PIRI sponsoring “regulatory gap analysis”



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# NRTEE Report on “A National Brownfield Redevelopment Strategy for Canada”



- CPPI strongly endorses this report and urges study and implementation of all three strategic directions by federal, provincial and municipal jurisdictions:
  1. Apply Economic Incentives
  2. Establish Public Policy Regime for Environmental Liability and Risk Management
  3. Build Capacity for, and Public Awareness of, Brownfield Redevelopment



# Resolution of Liability Problems is Key



- Liability closure is vital for both Brownfields Redevelopment and Economic-Driven Site Cleanups
  - Binding contractual allocation of liability
  - Termination of regulatory and civil liability using a limitation period
  - Insurance fund for post-liability termination claims
  - Site-specific risk assessment and approvals regime
  - Regulatory approvals of remediation



# CPPI is Ready to Help with Implementation of NRTEE Directions



- Technical Analyses
  - Risk assessment methodologies (on-going in many jurisdictions)
  - Liability gap analysis (initiated in NB)
  - Other??
- Discussions with provincial Ministries of Environment (on-going)
- Discussions with other industry sectors (initiated)
- Discussions with municipalities (planned)
- Public education to reduce the over-estimation of risk associated with remediated sites (under consideration)
- Other??