

ENERGY TRANSPORT



Maritime energy transport: Shore-side lessons

By Captain Duke Snider, FNI
Nautical Institute BC Branch

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The Pacific Northwest is not new to supporting and enabling the safe transport of energy at sea. From pipelines to refineries, to port facilities for exporting hydrocarbon and coal, shore-side infrastructure is commonplace from Oregon to Alaska. Some might say that the frequency of transits of coal-carrying bulkers, crude oil and product tankers as well as LNG carriers is so frequent as to become almost invisible. Thousands of vessel movements related to energy transport occur every year in our waters. However, the interface between ships and shore is often forgotten when one thinks of transporting energy in its various forms at sea. This forgotten sector is rising in visibility. Recent focus stemming from hoped-for regional benefits expected to result from opening new

commodity markets, such as the export of LNG, is raising expectations for new employment in this region — throughout Oregon, Washington, British Columbia and right through to Alaska.

Dozens of proposals to develop new, as well as to upgrade present hydrocarbon export terminals and facilities, are on the drawing boards for the Pacific Northwest. Regardless of the latest cyclical drop in oil and gas prices in recent months, many of the new proposals continue to move ahead. While the commodity price drop has negatively impacted some planned developments, resulting in operational target dates moved to the right, or

proposals withdrawn completely, many others are moving ahead through the various approval processes. With interest still high, support ports, communities, and provincial and state governments are looking carefully how to balance support for emerging employment sectors with responsible environmental stewardship. The Nautical Institute British Columbia Branch's upcoming conference on Maritime Energy Transport will look in part at challenges faced in this regard to hopefully learn lessons from other regions that have previously seen substantive changes in their maritime affairs due to new impacts from energy transportation developments.

Obviously, the Pacific Northwest is not the first coastal region to see advantages in encouraging new markets for energy trade and commerce while ensuring sustainable resource development and protection of the environment. To the north, in the 1970s, Alaska's emergence from its quiet wilderness economy to a powerhouse of oil export resulted in demonstrative changes in the state's economic foundation and eventual superiority. Yet again, Alaska is adapting to both a new future of offshore oil exploration and development as well as expected increased energy transport through its shores as Arctic E&D expands. In the late 1960s and early 1970s, the pastoral and remote region of northern Scotland suddenly experienced exponential growth as the wealth of the North Sea oil discoveries spurred on rapid development of massive shore-side and seagoing support for first the exploration and development, then the production phase based on the extensive hydrocarbon reserves just offshore from the pristine Scottish coastline.

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The Nautical Institute's Honorary Secretary, Captain Robbie Middleton, FNI cut his chops in the growing North Sea bonanza four decades ago. Through many years of experience in the Offshore Industry, Captain Middleton will open discussions on "Lessons Learned from Oil Industry Impact in Scottish Waters." Scotland today owes a great deal of their present prosperity and strong economic status to the thoughtful management of the industry that supports the North Sea oil and gas industry. Captain Middleton will share some the hard won lessons that allowed for the productive and environmentally aware development to proceed.

Our Alaskan neighbours to the north are also looking at planning for future increases in marine traffic on their doorstep, not only from their own ongoing export of Alaskan offshore oil but from increases in transit traffic expected to result from full-scale LNG exports from the Russian Arctic Yamal gas fields as well as increased interest in oil export from Prirazlomnaya and Varandeykoe. Drue Pearce, AFNI, a Senior Policy Advisor from Crowell & Moring LLP will discuss the challenges readying the Alaskan gateway to the Arctic, particularly when timelines are uncertain. Much like British Columbia, hoped-for development in Alaska is moving ahead in fits and spurts as communities and the various levels of government build new collaborative processes of assessment and put in place regulations that will both encourage and ensure the highest levels of safety in not only exploration and development of hydrocarbon assets, but the transport and export from Alaska as well as the cargo carriage along Alaska coastlines from other exporters such as the Russian Arctic gas fields.

These two speakers outlining past lessons as well as ongoing efforts, will lead the way to an informative panel that will discuss preparing and operating port infrastructure in support of maritime energy transport. The Port Infrastructure panel during the conference promises an interesting interaction among the panelists. Gary Paulsen, Harbour Master Port of Prince Rupert, will address management of a port growing to meet emerging maritime energy exports as Prince Rupert looks to a future of potentially frenetic growth in energy export. Most of the export facilities proposed for British Columbia are within or very near to Prince Rupert Port. Captain Dave Kyle AFNI from Pacific Northwest

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LNG will discuss how an LNG port developer collaborates and what faces their efforts to put in place new infrastructure. One of the most advanced LNG export proposals, Pacific Northwest LNG may be the first out the gate in the race to export BC LNG to the rest of the world. From the Barrow Alaska's North Slope Borough, Mayor Charlotte Brower will bring the point of view of the small local community dealing with the benefits and fallout of possible rapid development of a marine service sector that is new to many residents and how they must adapt as well as protect traditional lifestyles. To discuss how existing facilities must prepare for new growth necessary to meet changing demands, the panel will look to Mike Davies, Senior Director, Marine Development for Kinder Morgan Canada. An open discussion will inform and educate on how the complex web of shore

infrastructure works to ensure the highest standards of safety in the sector.

The transport of energy at sea has been part of maritime commerce for thousands of years. From transport of cut timber to whale oil, to coal and hydrocarbons, ships have loaded, transited and discharged their cargoes around the globe. In the last few decades, specialization of ships has continued at a rapid pace, all with the intent to ensure safe and efficient delivery of cargoes. To enable that safety record to continue, local communities have adapted as well to ensure the shore-to-sea-to-shore energy transport interface is as seamless, safe and efficient.

To learn more about the Nautical Institute BC Branch's conference — May 7 and 8, 2015 in Victoria, visit: www.nibconference2015.com.



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