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November 8, 2017

Reply To: Thomas Brett
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Our File No. 131167

VIA RESS, EMAIL AND COURIER

Ontario Energy Board
27th Floor
2300 Yonge Street
Toronto ON M4P 1E4

Attention: Kirsten Walli,
Board Secretary

Dear Ms. Walli:

**Re: Sagatay Transmission LP – Appeal under Section 7 of the Ontario Energy Board
Act, 1998 of a Decision and Order of the Board Registrar in EB-2016-0017
Board File No. EB-2017-0258**

We are counsel to Sagatay Transmission LP ("Sagatay"). On behalf of Sagatay, we are hereby filing Reply Submissions.

Yours truly,

FOGLER, RUBINOFF LLP

Thomas Brett
TB/dd
Encls.

cc: All Parties (*via email*)

ONTARIO ENERGY BOARD

IN THE MATTER OF the *Ontario Energy Board Act, 1998*, S.O. 1998, c. 15 (Schedule B);

AND IN THE MATTER OF an appeal under section 7 of the *Ontario Energy Board Act, 1998* of a Decision and Order of the Board Registrar in EB-2016-0017, regarding an application for leave to construct by Sagatay Transmission LP.

REPLY SUBMISSIONS OF SAGATAY TRANSMISSION LP

Introduction

1. Pursuant to Procedural Order No. 3, Sagatay Transmission LP ("**Sagatay**") submits its reply submission in this case. The comments will be relatively brief, and will repeat comments in Sagatay's Notice of Appeal dated June 9, 2017, and October 18, 2017 Written Submission ("**Written Submission**"), only to the extent necessary to counter arguments and new issues introduced by Ontario Energy Board staff ("**Staff**") and Wataynkaneyap Power LP ("**Watay**") in their responding submissions of November 1, 2017.

Proper Interpretation of Section 97.1(1) of the *Ontario Energy Board Act, 1998*¹ (the "Act") and the Differences Between the Proposed Lines

2. Staff suggests that the Registrar's comments speak for themselves. They may, but they are wrong, in that they propose an amendment to section 97.1(1) of the Act, rather than a reasonable interpretation of it.

Section 97.1(1) of the Act states that:

"In an application under section 92, leave shall not be granted to a person if a licence issued under Part V that is held by another person includes an obligation to develop, construct, expand or reinforce the line, or make the interconnection, that is the subject of the application."

The section means exactly what it says, namely that the Ontario Energy Board (the "**Board**") cannot grant leave to construct a transmission line to a person if another person has a transmission licence which, inter alia, requires it to construct that same line.

Most especially, it does not say "the line or another line that is functionally equivalent to that line". Nor does it say "the line or any line in the vicinity of that line" or "the line or any line in Northwestern Ontario that connects to Hydro One's D26A line". The statute is clear. The Registrar's reading into the statute of the idea of a "functionally equivalent" line seeks to amend the statute, something only the legislature can do.

3. Watay has now selected its route in its final Environmental Assessment Report (the "**Report**"), which it submitted to the Minister of the Environment and Climate Change on November 3, 2017. The Report is available on Watay's website, http://spatialim.golder.ca/Final_EA/EA_DocumentList.html. As noted in the Ontario Government Report attached as Appendix 1, Watay is proposing the construction,

¹ S.O. 1998, c. 15, Schedule B

operation, maintenance and retirement of an overhead, 300 km, 230 kilovolt electricity transmission line from Dinorwic (east of Dryden) to Pickle Lake in Northwestern Ontario. The route contained in the Report confirms the route discussed in the Draft EA Report.² The proposed route shown in the Report (and in Schedule D to Sagatay's Written Submission) takes a very different route than the Sagatay line. The Report also makes a detailed analysis of the Dinorwic line, relative to two alternatives that were considered, to justify the selection of that particular route.

4. Much of Sagatay's Notice of Appeal and its October 18, 2017 evidence showed the differences between the two proposed lines, and showed that the lines are not of equal value, which is how Sagatay interprets the phrase "functional equivalence". Sagatay needed to compare the two lines to demonstrate that Sagatay's proposed line was not the same line that Watay proposes to build, and not of equal value, as to the route, nature, characteristics, and impacts. It was necessary to compare the two lines in the context of the social, economic, environmental, and cultural circumstances prevailing in Northwestern Ontario. The intent was not to provide a detailed criticism of the Watay proposal. Sagatay will not repeat in this reply submission the comparison of the two proposed lines, which can be found at pp 3-12 of Sagatay's Written Submission. However, Sagatay points out an additional difference between the lines, namely that its proposed line to Pickle Lake is a network line under the Board's criteria because, inter alia, it increases the reliability to the existing grid in the region, and it terminates in an auto-transfer station near Pickle Lake. On the other hand, Watay's proposed project is a connector line as its primary purpose is to connect sixteen remote First Nations

² As defined in Sagatay's Written Submission.

communities to the existing grid. In this respect, the lines are very different in nature, with different implications for customers' rates.

5. Because the two lines are so different, and not of equivalent value, section 97.1(1) of the Act does not preclude the Board from granting leave to Sagatay to build its proposed line if the Board finds it is in the public interest, pursuant to section 96(2) of the Act.
6. Moreover, the Board's discretion is not in any way constrained by the Minister's directive to the Board to amend Watay's transmission licence to include the "obligation" to develop and seek approval for a project to build connections from both Pickle Lake and Red Lake to the sixteen listed remote communities. In Sagatay's view, a proper reading of section 97.1(1) makes the licence amendment irrelevant.

Staff's Response

7. Staff's comments on p 3 of its responding submissions invite a reply as its chronology of events is not complete. Sagatay filed its application for leave to construct ("the **Application**") on January 20, 2016. It contained approximately 4,000 pages of material. It was a complete Application, save for a final System Impact(s) Report ("**SIA**") from the IESO. The IESO had provided a draft SIA to Sagatay in late 2015, but then decided in December that it needed to amend its SIA to reflect a Sagatay proposed change to the switching arrangements at the line's connection to HONI's D26A line near Ignace; the starting point for Sagatay's proposed line. The IESO initially stated that the amended SIA would be available in February 2016. Then it stated it would be April 2017, which it apparently also communicated to the Board. However, this report was not completed and delivered until June 2017, an inordinate and highly unusual delay. The draft SIA was

supportive of Sagatay's proposal and there was no reason for anyone to think that the final SIA would be otherwise. In any event, the final SIA also supported the line.

8. The Registrar was aware that the IESO was reworking the report and would presumably have been advised by the IESO when it was completed. However, there was a complete breakdown in communications at this point, because the IESO apparently did not submit a copy of the final SIA when it was completed on June 28th to the Board, whereas Sagatay assumed it had done so. The Board did not contact Sagatay to inquire at any time after it did not receive the SIA in April or to inquire as to why the SIA was not ready, when it was expected. Sagatay is not aware whether the IESO contacted the Board to advise that the SIA would be further delayed. In any event, the Board took no further action on Sagatay's Application. The Board had no further communication with Sagatay until its letter dated November 2, 2016, in which it told Sagatay it intended to dismiss its Application. Sagatay finds the Board's lack of communication over this period with Sagatay unusual and surprising. During the same period, between April and September 2016, the Government of Ontario passed legislation and Orders in Council to allow it to designate its "preferred" proponent, Watay, to proceed to develop the line, even though Watay had not yet filed an application for leave to construct, and still has not. The chronology, as described above, is troubling.

9. Further, Staff submits at p 2, last paragraph, that the Order in Council approving the ministerial directive stated that “the Government has determined that the Remotes Connection Project and the Line to Pickle Lake should be undertaken by a transmitter that is best positioned to connect remote First Nation communities in the most timely and cost-efficient manner that protects ratepayer interests” (our emphasis) and that the

Government selected Watay “to undertake the development of the Line to Pickle Lake and the Remotes Connection Project”.

10. But Staff does not mention how the Government could have decided that Watay is “best positioned” to undertake the line to Pickle Lake in the “most timely and cost-efficient manner that protects ratepayer interests” in the absence of a competition. Since the premise of the ministerial directive is not supported by any findings or analysis, it amplifies the importance of the Board fairly applying the correct legal test in making its determination in this appeal under section 97.1(1) of the Act. In the Notice of Appeal, Sagatay has outlined the errors that the Registrar made in dismissing Sagatay’s Application under section 97.1(1) of the Act.

Watay's Response

11. Watay's statement in paragraph 38 of its responding submissions that “any additional statements made and not filed in the form of an affidavit should be given no evidentiary weight” is belied by the following:
 - (1) Procedural Order No. 3, where the Board ordered that “1. Sagatay may file affidavit evidence, in accordance with the reasons above, and any further written submissions in support of its appeal by no later than October 18, 2017 (emphasis added).”;
 - (2) Watay's own statement in its written submission dated September 20, 2017 (p 1, paragraph 4), that “[i]f the Board requires a map showing the routing currently contemplated by Wataynikaneyap for its planned Line to Pickle Lake, one is

publicly available on the home page of Watay's website at www.wataypower.ca and does not need to be filed by affidavit (emphasis added)."; and

- (3) since the documents that are referenced and attached as Schedules to Sagatay's Written Submission (i.e., the Draft EA Report and Watay's first semi-annual report to the Board dated July 17, 2017) are publicly available on www.wataypower.ca), Sagatay agrees with Watay's previous submission that they do "not need to be filed by affidavit".

12. Similarly, Watay asserts that significant portions of the affidavits of Chiefs Maskaeyash and Machimity fall outside the scope of Procedural Order No. 3 and should be treated as irrelevant. This assertion, however, is not supported by either a fair reading of Procedural Order No. 3 or the affidavits and should be rejected. While both Chiefs Maskaeyash and Machimity state their belief that the Dinorwic Route and Corridor Alternatives will have significant impacts on the Aboriginal and Treaty Rights of their First Nations, they refrain from commenting on the specifics in deference to Procedural Order No. 3. The clear thrust of both affidavits is to confirm that most if not all of both the Dinorwic Route and Corridor Alternatives will traverse the traditional, ancestral and (in the case of Mishkeegogamang First Nation) reserve lands, which was permitted by the Board as item 3 of Procedural Order No. 3.

The True Nature of the Licence Amendment

13. While the enactment of sections 97.1(1) and 28.6(1) of the Act on July 16, 2016, and the Order in Council directing the Board to amend Watay's transmission licence purported to impose an obligation on Watay to develop and seek approvals for its proposed project,

the Order in Council, in fact, granted Watay a significant benefit and privilege. It gave Watay a monopoly on a very large business opportunity, namely a monopoly to build a multi-billion dollar transmission project, by eliminating a competitor who had already filed an application for leave to construct a line that was competitive to Phase 1 of the larger project. That the Order in Council conferred a benefit is evident from the fact that there is no time limit on when the project must be built, no penalty in the event Watay fails to build or is delayed, no contract between Watay and the Government setting out the terms and conditions of the arrangement, and no consideration flowing from Watay to the Government in return for the granted concession. In addition, the Board has agreed to pay a substantial part of Watay's development costs, assuming they are prudently incurred.

The Proper Interpretation of Section 28.6(1) of the Act

14. Sagatay submits that Watay's interpretation of section 28.6(1) of the Act is not correct.
15. The Lieutenant Governor in Council ("LGIC") issued an Order in Council 1157/2016 on July 20, 2016, designating the following transmission lines as "priority projects" under section 96(1) of the Act:

- "1. *The construction of an electricity transmission line originating at a point between Ignace and Dryden and terminating in Pickle Lake; and*
2. *The construction of electricity transmission lines extending north from Pickle Lake and Red Lake required to connect the Remote Communities."*

A second Order in Council on the same day, stated:

- "1. *The Board shall amend the conditions of 2472883 Ontario Limited on behalf of Wataynikaneyap Power LP's ("Wataynikaneyap Power LP")*

electricity transmission licence to include a requirement that Wataynikaneyap Power LP proceed to do the following related to expansion of the transmission system to connect the sixteen remote First Nation communities listed in Appendix A (collectively the "Remote Communities") to the provincial electricity grid:

- (i) Develop and seek approvals for a transmission line, which shall be composed of a new 230 kV line originating at a point between Ignace and Dryden and terminating in Pickle Lake (the "Line to Pickle Lake"). The development of the Line to Pickle Lake shall accord with the scope recommended by the Independent Electricity System Operator.*
- (ii) Develop and seek approvals for the transmission lines extending north from Red Lake and Pickle Lake required to connect the Remote Communities to the provincial electricity grid. The development of these transmission lines shall accord with the scope supported by the Independent Electricity System Operator."*

16. By way of further context, section 96.1(1) of the Act, enacted in 2015, allows the Minister to designate certain transmission lines as priority projects. Thereafter, the proponents of those projects do not have to demonstrate that the project is needed, as part of their applications for leave to construct.
17. The Government had stated that a line to Pickle Lake was a priority project in both its 2010 and 2013 Long-Term Energy Plans. The IESO (then Ontario Power Authority) had stated as much in its North of Dryden Regional Plan. It was on the basis of those policy pronouncements that Sagatay developed its Application to construct a line from Ignace to Pickle Lake, which it filed in January 2016.
18. In EB-2016-0262, issued on March 23, 2017, the Board deemed both lines to be part of a single project (pp 2 and 4).

19. Section 28.6(1) states:

"The Minister may issue, and the Board shall implement directives, approved by the Lieutenant Governor in Council, requiring the Board to take such steps as are specified in the directive relating to the construction, expansion or re-enforcement of transmission systems." (our emphasis)

Section 28.6(1), in Sagatay's view, does not authorize the Minister or the LGIC to name Watay as the entity that will build the line to remote communities, inclusive of the line to Pickle Lake. Rather, this section authorizes the Minister and the LGIC to direct the Board to take measures of a more general nature that relate to the construction, expansion or reinforcement of transmission systems. These measures could refer, by way of examples, to rate-making methodologies, revenue regimes, competitive procurement of any proposal to construct such a line, additional safety measures, protection of species or guidelines for conservation and demand response programs. It does not include the designation of a particular party to construct the project. Section 28.6(1) is one of many sections in the Act that authorize the executive branch (the LGIC) to issue directives to the Board to conduct activities of special interest to the Government including, for example, to ensure that utilities provide sufficient transmission and distribution facilities to facilitate the increase in renewable generation projects. The directives are meant to be generic in nature. They are not meant to confer specific concessions or licences on individual proponents. Such a dramatic intrusion into a competitive market would need to be specifically authorized in the statute.

20. In addition, the *Electricity Act, 1998*³ (the "*Electricity Act*") is a "companion statute" which must be considered in any interpretation of the Act. Section 25.32(5) of the *Electricity Act* authorizes the LGIC to issue a directive to authorize the IESO to "undertake any request for proposal, any other form of procurement solicitation that relates to a matter listed in subsection (2)", which includes transmission systems (ss. 25.32(2)(c)). These provisions were added to the *Electricity Act* in the *Energy Statute Law Amendment Act* in 2016.

21. In its 2017 Long-Term Energy Plan, released on October 26, 2017 and available on https://files.ontario.ca/books/ltep2017_0.pdf, the Government stated:

"As a first step in implementing the new legislation, the government will direct the IESO to develop a process for the competitive selection or procurement of transmission and identify possible pilot projects. The results of these pilots will be used to develop a procurement process that is clear, cost-effective, efficient and able to respond to changing policy, market and system needs." (p 85)

Clearly, the Government's intent throughout has been to encourage competition for the right to construct transmission systems.

22. If the intent of the legislature were to allow the LGIC to pick winners without a competition to build the line to Pickle Lake, it should have included that delegation of authority in the statute.

23. Moreover, the LGIC's measure was invalid, because it was effectively telling the Board to select Watay over Sagatay, contrary to the overall purpose of the Act, which requires

³ 1998 S.O. 1998, c. 15, Schedule A

the Board to both approve transmission lines only if they are found in the public interest, and to set just and reasonable rates.

24. The Order in Council directing the Board to amend Watay's licence prevents the Board from exercising its statutory obligation to approve just and reasonable rates. By effectively requiring the Board to deal with Watay and reject Sagatay's Application before Sagatay had the opportunity to make a full and complete presentation of its case in a leave to construct proceeding, it interferes with the Board's right to make an independent decision on whether Sagatay's proposal should be approved as being in the public interest. And since the capital costs of transmission lines become part of the revenue requirement for electricity transmitters and distributors, which in turn drive rates, the Board's ability to set just and reasonable rates is impaired. The Board's rate-making power is its core responsibility. If the Government wished to circumvent that power, it would require specific legislation to do so.
25. For all these reasons, the LGIC's July 20, 2016 directive to the Board to amend Watay's licence to impose an "obligation" on Watay to develop and seek approval for the project is an invalid exercise of executive power on the part of the LGIC with which the Board should not comply.

"Threshold Issue"

26. Watay also raised at p 4 of its responding submission what it called the "threshold test", and cited EB-2016-0006 to the effect that the provision of Part VII of the Board's Rules of Practice and Procedure apply to appeals under section 7. However, in this case, unlike EB-2012-0006, there was no earlier proceeding which is the subject of this appeal. There

was simply a decision by the Board employee, on which Sagatay was invited to make submission on why the decision should not be implemented. In any event, Sagatay's view of the proper test in this appeal is whether the employee's decision was correct, which was the same approach the Board took in the case cited above.

It stated:

"For these reasons, the Board finds that the grounds submitted in the appeal do not raise a question as to the correctness of the Decision and Order such that a review of the Decision and Order would result in it being varied, cancelled or suspended." (p7)

All of which is respectfully submitted, this 8th day of November, 2017.

A handwritten signature in black ink, appearing to read "Tom Brett", written over a horizontal line.

Tom Brett,
Counsel for Sagatay Transmission LP

APPENDIX 1



New Transmission Line to Pickle Lake

Project information about this environmental assessment.

Introduction

Proponent

Wataynikaneyap Power

Location

Northwestern Ontario (Dinowic to Pickle Lake)

Type

Electricity transmission

Reference

13025

Contact

Sasha McLeod, Environmental Approvals Branch

- Tel: 416-314-8221
- Toll-free: 1-800-461-6290

Current status

Environmental assessment: submitted, November 3, 2017

Project summary

Wataynikaneyap Power (Watay) is proposing the construction, operation and maintenance, and retirement of an overhead 300 kilometre, 230 kilovolt electricity transmission line from Dinowic (east of Dryden) to Pickle Lake in Northwestern Ontario. The purpose is to provide transmission expansion

and reliability to Pickle Lake, and meet one of the priority projects identified in Ontario's Long-Term Energy Plan (November 23, 2010).

Other project components include:

- a 40 metre wide cleared right-of-way for the transmission line's utility poles and wires
- a 2 kilometre wide corridor for the cleared right-of-way and construction activities
- a connection facility in the Dinorwic area
- a transformer station in the Township of Pickle Lake

Additional space for the 40 metre cleared area may be required for major water crossings and heavy corners.

Structures needed for construction include camps, access roads and trails, laydown areas, watercourse crossings and waste management. Some access roads, trails and other structures will be permanent.

This project, referred to as Phase 1, will enable construction of Watay's Phase 2 class environmental assessment project. Phase 2 is a proposal to connect remote First Nation communities currently serviced by diesel generators.

Project history

Environmental assessment: submitted

Date submitted: November 3, 2017

Expiry of public comment period: December 22, 2017

Terms of reference: approved

Date submitted: May 13, 2013

Expiry of public comment period: June 11, 2013

Decision date: February 20, 2015

Environmental assessment

On November 3, 2017, Wataynikaneyap Power submitted an environmental assessment (EA) under the *Environmental Assessment Act (EAA)* seeking approval for the New Transmission Line to Pickle Lake (Phase 1) project. The EA was submitted for a review and decision by the Minister of the Environment and Climate Change in accordance with Section 6.2(1) of the *EAA* and the terms of reference approved by the Minister of the Environment and Climate Change on February 20, 2015.

The EA includes an evaluation of alternative corridors for the transmission line, an assessment of potential environmental effects and proposed mitigation, and a consultation summary. Alternative corridors include two routes from Ignace to Pickle Lake.

The EA is available for a seven-week public review period from November 3, 2017 to December 22, 2017. The public, government agencies and Indigenous communities have the opportunity to review the EA and submit their comments to the Ministry of the Environment and Climate Change during this time.

Visit the proponent's website (<http://wataypower.ca/node/13>) to review the EA and the notice of submission. You can also find copies at the public record locations listed on the notice of submission.

Terms of reference

On February 20, 2015, the Minister of the Environment and Climate Change approved the terms of reference for this undertaking.

Updated: November 3, 2017

Published: March 20, 2014

Related

Project documentation:

Notice of approval—ToR (<https://www.ontario.ca/page/approval-terms-reference-new-transmission-line-pickle-lake-environmental-assessment>)

Proponent website (<http://wataypower.ca/node/13>)



Phase 1 New Transmission Line To Pickle Lake – Environmental Assessment Update

Background

Wataynikaneyap Power L.P. (Wataynikaneyap) is a licensed transmission company majority owned by First Nations. The First Nations ownership interest is equally owned by 22 First Nation communities, and a minority interest in the partnership is owned by FortisOntario Inc. and Renewable Energy Systems (RES) Canada (Fortis-RES). Wataynikaneyap will develop, construct, and operate the Wataynikaneyap Transmission Line Project, which is being developed in two phases: Phase 1 New Transmission Line to Pickle Lake and Phase 2 Connecting 17 Remote First Nations Communities. Wataynikaneyap is also developing a parallel electricity line to connect Pikangikum First Nation to the provincial electrical grid at Red Lake. Phase 1 is undergoing an Individual Environmental Assessment under the *Ontario Environmental Assessment Act*.

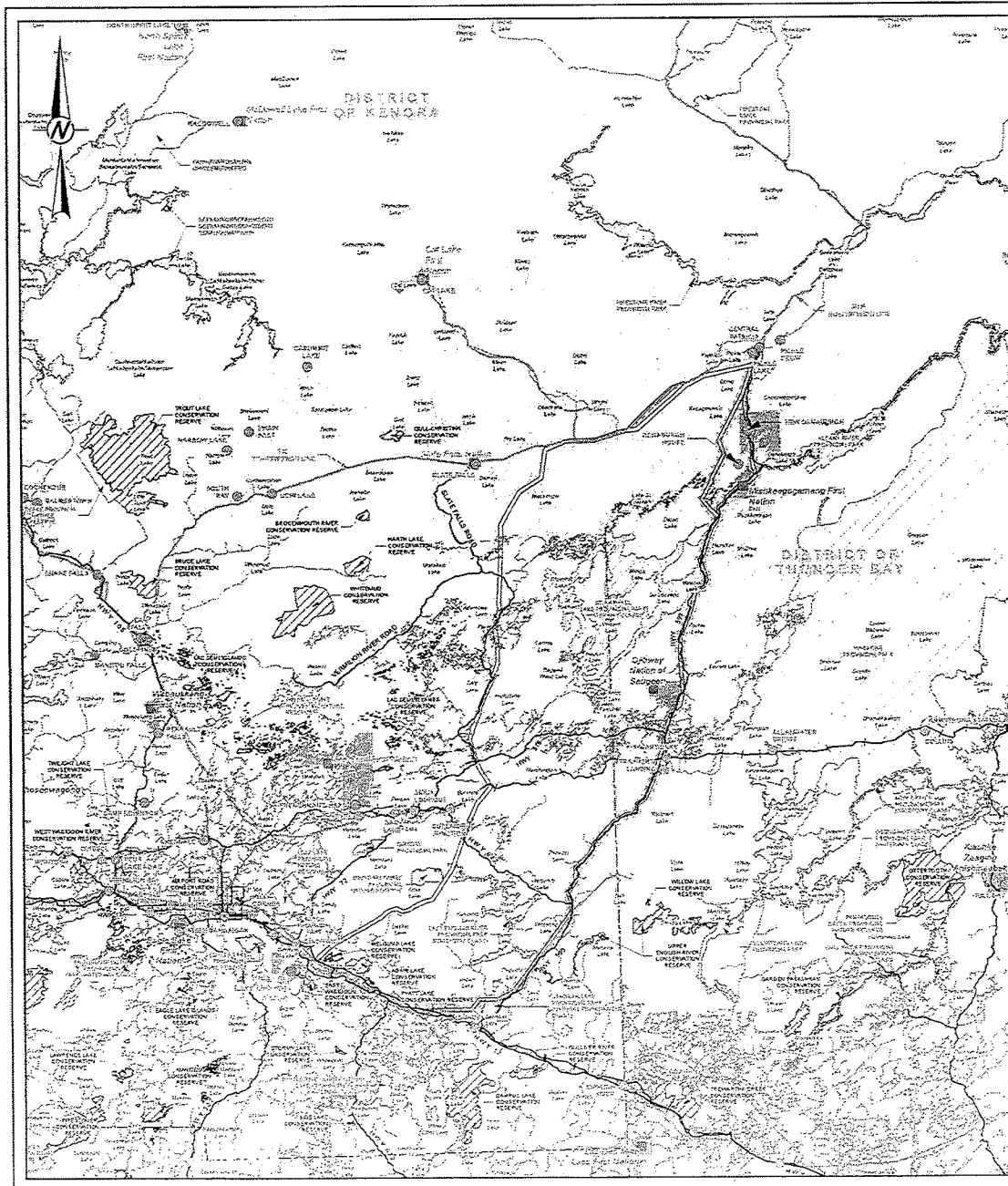
Terms of Reference Stage

In September 2012, Wataynikaneyap prepared and distributed a Draft Phase 1 EA Terms of Reference (ToR) to First Nation communities, Aboriginal organizations, the public and regulatory agencies. The ToR acts as a road map for the environmental assessment (EA) process and is used by the Ministry of the Environment and Climate Change (MOECC) to review the EA and evaluate that Wataynikaneyap has carried out the studies and engagement activities as planned.

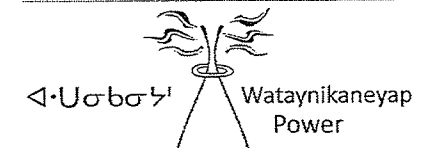
A Final ToR was submitted to the Ministry in May 2013 and a formal public comment period was held. Further comments on the Final ToR led to Wataynikaneyap revising the ToR to include three (3) potential corridors in the environmental assessment. An Amended ToR was submitted to the Ministry in November 2014. The Phase 1 EA Amended ToR was approved by the MOECC in February 2015.

Phase 1 – New Transmission Line to Pickle Lake

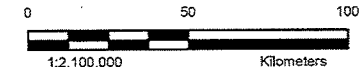
Phase 1 is being planned to reinforce transmission supply to Pickle Lake and provide a connection point for remote First Nation communities through Phase 2. Phase 1 involves an overhead 230 kV transmission line approximately 300 km in length. There is a 2-km-wide (1.2 miles) study corridor and within that study corridor a 40-m-wide (130 feet) right-of-way will be cleared. There are three corridors being considered in the EA: preliminary proposed corridor from Dinorwic (East of Dryden) to Pickle Lake and corridor alternatives along Highway 599 from Ignace west around Mishkeegogamang First Nation or from Ignace east through Mishkeegogamang First Nation (see Figure 1).



- LEGEND**
- Preliminary Proposed Study Corridor 40-m-wide Alignment Right-of-way (ROW)
 - Preliminary Proposed 2-km-wide Study Corridor
 - Preliminary Proposed Study Corridor Option 40-m-wide Alignment Right-of-way
 - Preliminary Proposed 2-km-wide Study Corridor Option
 - Corridor Alternatives Proposed 40-m-wide Alignment Right-of-way
 - Corridor Alternatives 2-km-wide Study Corridor
 - City
 - Town
 - First Nation Community
 - Railway
 - Road
 - Highway
 - ▨ Provincial Park
 - ▨ Conservation Reserve
 - ▨ First Nations Reserve
 - ▨ Municipal Boundary
 - Utility Lines**
 - Existing Electrical Transmission Line
 - Natural Gas Pipeline



DRAFT



NOTE(S)
 THIS FIGURE IS TO BE READ IN CONJUNCTION WITH ACCOMPANYING TEXT.
 ALL LOCATIONS ARE APPROXIMATE.
 NOT FOR ENGINEERING PURPOSES

REFERENCE(S)
 BASE DATA - MNRF LIO, OBTAINED 2015, NTDB
 CORRIDOR ALTERNATIVES - PROVIDED BY GENVAR MAR-AUG 2012
 PRELIMINARY PROPOSED 40-M-WIDE ALIGNMENT ROW - PRODUCED BY GOLDER ASSOCIATES LTD. OCTOBER 24, 2013
 FIRST NATION COMMUNITIES FROM INDIAN AND NORTHERN AFFAIRS CANADA (WWW.AINC-INAC.GC.CA)
 PRODUCED BY GOLDER ASSOCIATES LTD UNDER LICENCE FROM ONTARIO MINISTRY OF NATURAL RESOURCES, © QUEENS PRINTER 2008
 PROJECTION: TRANSVERSE MERCATOR DATUM: NAD 83 COORDINATE SYSTEM: UTM ZONE 15

CLIENT
 WATAYNIKANEYAP POWER L.P.

PROJECT
 PHASE 1 NEW TRANSMISSION LINE TO PICKLE LAKE

TITLE
 PROJECT LOCATION AND CORRIDOR ROUTE OPTIONS

CONSULTANT	YYYY-MM-DD	2017-01-23
DESIGNED	JMC	
PREPARED	JMC/MM	
REVIEWED	MH	
APPROVED	AE	



PROJECT NO: 1535751 CONTROL: REV: FIGURE: 1

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Environmental Assessment Stage

Current Status

The environmental assessment stage started with the approval of the Amended ToR by the MOECC and the Notice of Commencement of EA was issued on April 15, 2015 to First Nation communities, Aboriginal groups, government agencies and public stakeholders. A third round of engagement (Round 3, Part 1) started in June 2015 and ended in December 2016. The objectives of this round of engagement were to provide an overall Phase 1 and EA update, collect feedback on the proposed Phase 1 design and receive comments on draft EA criteria and indicators. This round of engagement included workshops and information sessions in First Nation communities, local stakeholders

and municipal governments, regulatory agencies, and non-governmental agencies. Materials at these workshops included workbooks, including draft criteria and indicator forms, presentations, posters and comment and evaluation forms, translations as well as detailed maps of the corridors. There were also follow up meetings with key regulatory agencies on certain criteria and indicators (e.g., woodland caribou).

The Amended ToR provided an overview of broad environmental categories to be addressed; however, criteria and their indicators are more the focus of effects assessment within these categories. Criteria are components of the environment that are considered to have economic, social, cultural, biological, conservation, or aesthetic value. Indicators represent properties of the physical, biological and socio-economic environments that can be used to characterize changes to criteria and assessment endpoints in a meaningful way. Table 1 provides the final list of criteria and indicators based on feedback from Round 3, Part 1 engagement that will be used in the EA Report. The table highlights changes made to the

criteria and indicators based on this engagement round.

Wataynikaneyap has also been engaging with First Nation communities to collect information and identify potential impacts of Phase 1 on traditional land and resource use. This work involved the use of detailed maps of Phase 1 as a basis of interviews with community members whose land and resource use could be affected.

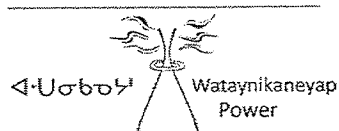
Wataynikaneyap retained Community Researchers to coordinate and aid in completion of the interviews and data and information gathering. Culturally sensitive data and information is being treated as confidential by Wataynikaneyap.

The Terms of Reference stage is complete and the Amended Terms of Reference were approved in February 2015.

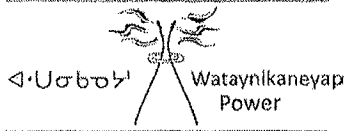
The Environmental Assessment stage is underway and a draft of the EA Report is planned for May 2017.

Table 1: Final Environmental Assessment Criteria and Indicators

Criteria	Indicators
Air Quality	Predicted ambient concentrations of Total Suspended Particulate (TSP), Particulate Matter (PM ₁₀ and PM _{2.5}), carbon monoxide (CO), nitrogen dioxide (NO ₂) and sulfur dioxide (SO ₂)
Greenhouse Gases (GHG)	GHG emissions estimate
Noise	Predicted noise levels
Surface Water	Surface water flow Surface water quality
Groundwater	Groundwater flow Groundwater quality
Brook Trout, Lake Trout, Walleye, Lake Sturgeon	Habitat quantity Habitat quality Abundance
Upland Ecosystems, Riparian Ecosystems, Wetlands	Ecosystem availability Ecosystem distribution Ecosystem composition
Forest-dwelling woodland caribou, moose, wolverine, little brown myotis, horned grebe, other federal or provincial Species at Risk, including: bald eagle, Canada warbler, barn swallow, whip-poor-will, common nighthawk, bobolink, olive-sided flycatcher	Habitat availability (i.e., quantity and quality) Habitat distribution (i.e., arrangement and connectivity) Survival and reproduction
Labour Market	Employment Training opportunities
Regional Economy	Business revenues
Government Finances	Local / Regional government expenditures Government taxation revenues
Housing and Temporary Accommodation	Population change Housing demand Housing supply
Services and Infrastructure Includes: emergency and health services, water, waste, energy infrastructure, transportation Community Wellbeing	Population change Service and infrastructure demand Services and infrastructure capacity Nuisance Public safety



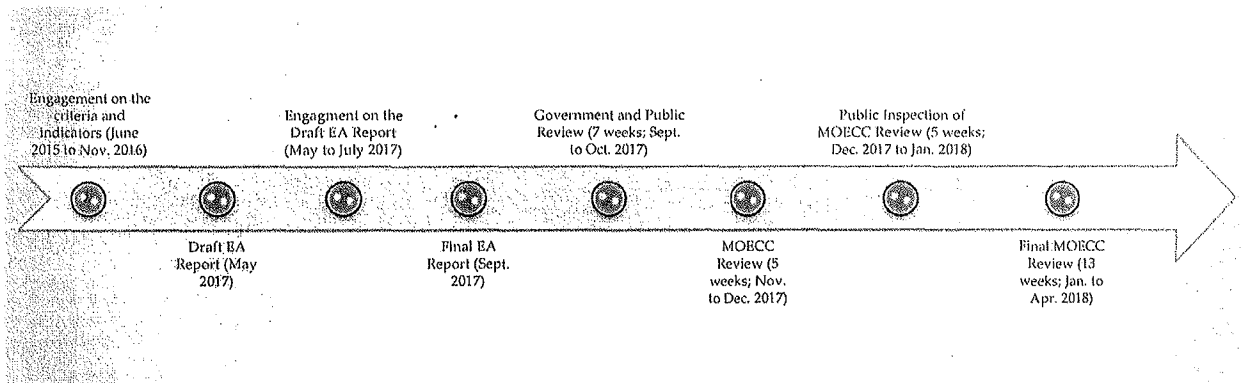
Criteria	Indicators
Human Health	Hazard quotients (measure of non-carcinogenic risk) Incremental Lifetime Cancer Risks (measure of carcinogenic risk)
Parks and Protected Areas	Land use quantity Land use quality
Commercial Industry Land and Resource Use (e.g., mining and aggregate, forestry, agriculture)	Land use quantity Resource availability
Outdoor Tourism and Recreational Land and Resource use assessed through consumptive and non-consumptive: <ul style="list-style-type: none"> Hunting, Trapping, Angling and Guide Outfitting Other Outdoor Tourism and Recreation 	Land use quantity Land use quality Resource availability
Archaeological Resources	Number, type and location of known archaeological resources Area of archaeological potential Area of marine archaeological potential
Built Heritage and Cultural Heritage Landscapes	Number, type and location of identified and potential built heritage resources and cultural heritage landscapes
Landscape and Visual Resources	Visibility of Phase 1 from key viewpoints (area of visibility in hectares) to determine the visual prominence of Phase 1 components and activities Compatibility of Phase 1 with the existing landscape (qualitative description of contrast) to determine the level of change to landscape character and visual quality
Aboriginal Rights, Treaty Rights and Interests	Quantitative changes in preferred harvested species Qualitative review of changes in, or restrictions on, preferred identified harvesting methods Quantity and quality of identified cultural use locations and access routes where use of or access to those locations is changed Qualitative changes in the experience of lands and resources for cultural purposes



Next Steps

Wataynikaneyap is preparing a draft EA Report for Phase 1 that will be provided for review and comment in May 2017. This Draft EA Report will discuss the selection of a preferred route from the three planned for assessment. Engagement (from May to July 2017) on the EA Report will include meetings with First Nation communities and Aboriginal groups and open houses in Dryden, Ignace, Sioux Lookout, and Pickle Lake. Comments received on the Draft EA Report will be considered and a Final EA Report will be prepared and targeted for submission to the MOECC in September 2017.

Environmental Assessment Timelines



For further information, visit our website at <http://www.wataypower.ca/>

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