



Environmental Assessment Office

Summary Issue Note Advice to the Minister

Date: ~~December 31, 2012~~ January 21, 2013

Project: Narrows Inlet Hydro Project (formerly known as Stl'ixwim Renewable Energy Initiative Project) (proposed Project)

Recommended Response:

- The Narrows Inlet Hydro Project proposed by Narrows Inlet Hydro Holding Corp. consists of five small hydroelectric facilities and transmission line approximately 50 km north of Sechelt, BC.
- The proposed Project is in the Application Review stage of EA.
- The EA will consider the potential environmental, social, economic, health and heritage impacts of the proposed Project.
- First Nations and public consultation are key aspects of all provincial environmental assessments.
- The proposed Project is within the traditional territory of the shíshálh Nation (Sechelt Indian Band), and EAO is consulting with the Sechelt Indian Band.

Key Issues:

- The proposed Project has attracted significant interest from members of the public, the First Nation and non-governmental organizations.
- Key issues include:
 - The BC Energy Policy;
 - The need for the proposed Project;
 - Cumulative effects;
 - Private property owners;
 - Potential impacts to fish and wildlife; and
 - Marine impacts from a submarine transmission line crossing.
- The principals of Narrows Inlet Hydro Holdings Corp. own and operate the Tyson Creek Hydroelectric project. The Tyson Creek project, similar in design

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to that of the proposed Project, experienced a bank failure in 2010, resulting in sediment discharge to Tyson Creek and Narrows Inlet. This issue was raised by the Opposition during the *Estimates* debate in 2010.

Other relevant information

Stage in EA process: Pre-Application	
	Background/Status
February 5, 2008: proposed Project entered EA.	The proposed Project that entered EA was to develop a cluster of six hydroelectric plants producing a combined total of 62 MW.
December 8, 2008 to January 23, 2009: public comment period on the draft Terms of Reference (TOR)	Public open houses were held in Sechelt on December 10, 2008 and in Egmont on January 14, 2009.
April 29, 2009: Changes to proposed Project	The Proponent indicated a change to the proposed Project which would decrease the total capacity to 49 MW of electricity which is below the threshold for a reviewable project. The Proponent requested an opt-in to the EA.
August 5, 2009: EAO granted an opt-in to continue with the provincial EA.	EAO based the decision on the facts that the EA of the proposed Project had already begun, and that the Narrows Inlet and Tzoonie River Valley have significant environmental and social values and there is the potential for significant adverse effects from the proposed Project.
March 11, 2010: Electricity Purchase Agreement announced.	BC Hydro announced that Narrows Inlet Hydro Holding Corp. had received an Electricity Purchase Agreement for the proposed Project.
October 19, 2010: Application Information Requirements (previously TOR) approved	The Application Information Requirements reflect the current proposed Project design.
October 19, 2010: Change in proposed Project name.	EAO approved a section 13 amendment to the section 11 order to change the name of the Proponent from Stlixwim Hydro Corp. to Narrows Inlet Hydro Holding Corp. The Proponent agreed to the change at the request of the shíshálh Nation.
May 11, 2012: Application for an EA Certificate submitted for screening.	Due to the volume and complexity of the Application and delays in FLNRO staff reviewing the Application, the screening was extended to June 21, 2012.
June 20, 2012	A decision was made not to accept the

	Narrows Inlet Application for review. The Proponent was notified verbally and given an opportunity to withdraw the Application. On June 21, the Proponent submitted a letter to withdraw the Application. The Proponent has been provided with direction on information that would be required for the Application to pass screening. The Proponent plans to make these changes and to resubmit the Application shortly.
July 24, 2012	The Proponent resubmitted a revised Application for screening on July 23, 2012.
August 21, 2012	The Proponent submitted the Application in the required format and the 180 day review period began. It is expected that a referral to Ministers will occur by February 18 ⁹ , 2013.
September 7, 2012	A 50-day public comment period ran from September 7 th to October 27 th .
Oct 16, 2012	Two public open houses were held on October 12 and 13 in Egmont and Sechelt, respectively. A community engagement session was held with the Sechelt Indian Band on October 10.

Project Details

- Stlixwim Hydro Corp., now renamed NI Hydro Holding Corp. (Proponent) initially proposed to develop a cluster of six hydroelectric power plants producing a combined total of 62 MW of electricity.
- The proposed Project now consists of five hydroelectric power plants totalling 49 MW.
- The proposed Project configuration is based on a "lake tap" design whereby penstocks carry flows from high elevation alpine lakes to the generating stations.
- The proposed Project, which is located in the Tzoonie River Watershed at the head of Narrows Inlet of the Sechelt Inlet complex, includes a 50 km 138 kV transmission line including a submarine crossing of Skookumchuk Narrows.
- This was initially a reviewable project because it exceeded the 50 MW power output threshold for an EA under the *Reviewable Projects Regulation*.
- On March 3, 2009, EAO received notification that the Proponent was dropping one of the six hydroelectric power plants, reducing the proposed Project nameplate capacity to 49 MW, below the 50 MW threshold.
- The Proponent requested to opt-in to the EA process, under section 7 of the *BC Environmental Assessment Act*, and the section 7 Order was granted on August 5, 2009.

Federal Review

- A federal Screening Level review under the *Canadian Environmental Assessment Act* is no longer required. Authorizations by Fisheries and Oceans Canada and possibly Transport Canada are required.

First Nations and other Government

- The proposed Project is within Sechelt Indian Band territory and is near Sechelt Indian Government Lands (former Indian reserves, now subject to land use planning jurisdiction of the Sechelt Indian Government, under the *Sechelt Indian Government Act*).
- The Sechelt Indian Band is participating in the EA Working Group.
- EAO is coordinating consultation with Ministry of Forests, Lands and Natural Resource Operations.
- The Sunshine Coast Regional District is participating in the EA Working Group.

Contact:

Garry Alexander
Project Lead
250-888-2020

Alternate Contact:

Adrienne Butler
Project Assessment Officer
250-387-0215



Environmental Assessment Office

Summary Issue Note Advice to the Minister

Date: November ~~18~~13, 2013

Project: Narrows Inlet Hydro Project (formerly known as Stl'ixwim Renewable Energy Initiative Project) (proposed Project)

Recommended Response:

- The Narrows Inlet Hydro Project proposed by Narrows Inlet Hydro Holding Corp. (Proponent) consists of three small hydroelectric facilities and transmission line approximately 50 km north of Sechelt, BC.
- The proposed Project is currently suspended at day 157 of the Application Review stage of EA.
- The EA will consider the potential environmental, social, economic, health and heritage impacts of the proposed Project.
- First Nations and public consultation are key aspects of all provincial EAs.
- The proposed Project is within the traditional territory of the shíshálh First Nation (Sechelt Indian Band), and EAO is consulting with the Sechelt Indian Band.

Key Issues:

- The proposed Project has attracted significant interest from members of the public, the Sechelt Indian Band and non-governmental organizations.
- Key issues include:
 - The BC Energy Policy;
 - The need for the proposed Project;
 - Cumulative effects;
 - Private property owners;
 - Potential impacts to fish and wildlife; and
 - Marine impacts from a submarine transmission line crossing.
- The principals of Narrows Inlet Hydro Holdings Corp. own and operate the Tyson Creek Hydroelectric project. The Tyson Creek project, similar in design

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to that of the proposed Project, experienced a bank failure in 2010, resulting in sediment discharge to Tyson Creek and Narrows Inlet. This issue was raised by the Opposition during the *Estimates* debate in 2010.

Other relevant information

Stage in EA process: Application Review (currently suspended)	
	Background/Status
February 5, 2008: proposed Project entered EA.	The proposed Project that entered EA was to develop a cluster of six hydroelectric plants producing a combined total of 62 MW.
December 8, 2008 to January 23, 2009: public comment period on the draft Terms of Reference (TOR)	Public open houses were held in Sechelt on December 10, 2008 and in Egmont on January 14, 2009.
April 29, 2009: Changes to proposed Project	The Proponent indicated a change to the proposed Project which would decrease the total capacity to 49 MW of electricity which is below the threshold for a reviewable project. The Proponent requested an opt-in to the EA.
August 5, 2009: EAO granted an opt-in to continue with the provincial EA.	EAO based the decision on the facts that the EA of the proposed Project had already begun, and that the Narrows Inlet and Tzoonie River Valley have significant environmental and social values and there is the potential for significant adverse effects from the proposed Project.
March 11, 2010: Electricity Purchase Agreement announced.	BC Hydro announced that Narrows Inlet Hydro Holding Corp. had received an Electricity Purchase Agreement for the proposed Project.
October 19, 2010:	The Application Information Requirements (previously TOR) approved.
October 19, 2010: Change in proposed Project name.	EAO approved a section 13 amendment to the section 11 Order to change the name of the Proponent from Stlixwim Hydro Corp. to Narrows Inlet Hydro Holding Corp. The Proponent agreed to the change at the request of the Sechelt Indian Band.
May 11, 2012: Application for an EA Certificate submitted for screening.	Due to the volume and complexity of the Application and delays in FLNRO staff reviewing the Application, the screening was extended to June 21, 2012.

June 20, 2012	A decision was made not to accept the Narrows Inlet Application for review. The Proponent was notified verbally and given an opportunity to withdraw the Application. On June 21, the Proponent submitted a letter to withdraw the Application. The Proponent was provided with direction on information that would be required for the Application to pass screening. The Proponent made the changes and resubmitted the Application.
July 24, 2012	The Proponent resubmitted a revised Application for screening.
August 21, 2012	The Proponent submitted the Application in the required format and the 180 day review period began.
September 7, 2012	A 50-day public comment period ran from September 7 th to October 27 th .
Oct 12 and 13, 2012	Two public open houses were held on October 12 and 13 in Egmont and Sechelt, respectively. A community engagement session was held with the Sechelt Indian Band on October 10.
January 25, 2013 (EA suspended)	EAO suspended the Application review timeline at the request of the Proponent. The reason for the suspension request was so the Proponent could provide further information to assess the potential for significant adverse effects to wildlife and fisheries and aquatic life.
March 18, 2013	The Proponent in a letter to EAO, requested removal of two of the five hydroelectric facilities that made up the proposed Project to address some of the issues that led to the suspension. The proposed Project is an opt-in so a reduction in power production will not affect its standing as a reviewable project.
June 27, 2013	The Proponent submitted preliminary information to EAO to address suspension issues. EAO's decision on whether to resume the EA review of the proposed Project is pending EAO's review and that of the intergovernmental Working Group and satisfaction that the additional information

	provided adequately address the information deficiencies previously identified.
July 18, 2013	EAO issued a Section 13 Order to vary the scope of the proposed Project to reflect the removal of CC Creek and SS Creek hydroelectric facilities. The proposed Project would, if approved, generate 33 MW of electricity.
October 24, 2013	EAO concluded on Oct 22, 2013 to resume EA on the basis that additional work EAO had requested the Proponent to undertake has been completed and the resulting information has been fully reviewed and considered to address the outstanding issues. Proponent advised of the decision on October 24, 2013. EA process is scheduled to resume on Day 157 of the 180-day review timeline, effective November 14, 2013 and conclude on December 6, 2013.
November 14, 2013	EAO advised Proponent, in writing, that the 180-day review resumes on November 14, 2013. <u>Referral to Ministers is scheduled for December 6, 2013.</u>

Project Details

- The Proponent initially proposed to develop a cluster of six hydroelectric power plants producing a combined total of 62 MW of electricity.
- The proposed Project consisted of five hydroelectric power plants totalling 49 MW at the time the Application was accepted but has been reduced to three facilities totalling 33 MW.
- The proposed Project, which is located in the Tzoonie River Watershed at the head of Narrows Inlet of the Sechelt Inlet complex, includes a 50 km 138 kV transmission line including a submarine crossing of Skookumchuk Narrows.
- This was initially a reviewable project because it exceeded the 50 MW power output threshold for an EA under the *Reviewable Projects Regulation*.
- On March 3, 2009, EAO received notification that the Proponent was dropping one of the six hydroelectric power plants, reducing the proposed Project nameplate capacity to 49 MW, below the 50 MW threshold.
- The Proponent requested to opt-in to the EA process, under section 7 of the *BC Environmental Assessment Act*, and the section 7 Order was granted on August 5, 2009:

- On March 18, 2013 the Proponent proposed reducing the size of the proposed Project to 33 MW by removing two power generation components. This was done to address fisheries and hydrology and wildlife issues raised during the suspension of the EA.

Federal Review

- A federal Screening Level review under the *Canadian Environmental Assessment Act* (2012) is no longer required. Authorizations by Fisheries and Oceans Canada and Transport Canada are required but only Transport Canada is participating in the EA.

First Nations and other Government

- On October 28, 2013, Minister of Aboriginal Relations and Reconciliation announced at the 11th annual Clean Energy BC conference in Vancouver that the Province has approved \$500,000 to support the shishahl Nation in their pursuit of clean energy goals, under the First Nations Clean Energy Business Fund (FNCEBF). Funding will assist the shishahl Nation to invest in the proposed Narrows Inlet Hydro Project.
- The proposed Project is within Sechelt Indian Band territory and is near Sechelt Indian Government Lands (former Indian reserves, now subject to land use planning jurisdiction of the Sechelt Indian Government, under the *Sechelt Indian Government Act*).
- The Sechelt Indian Band is participating in the EA Working Group.
- EAO is coordinating consultation with Ministry of Forests, Lands and Natural Resource Operations.
- The Sunshine Coast Regional District is participating in the EA Working Group.

Contact:

Garry Alexander
Project Lead
250-885-7902

May Darling
Project Assessment Officer
250-387-0910