

Pages 1 through 3 redacted for the following reasons:

s.13, s.14



FILE COPY

Telephone: 250-387-2402

Facsimile: 250-356-6448

File: 30020-05/HRHP-

Ref: 97109

August 3, 2007

Duke Peterson
Holmes Hydro Inc.
PO Box 99
McBride BC V0J 2E0

Dear Mr. Peterson:

Thank you for your letter of November 11, 2006, seeking clarification on the reviewability of your proposed run-of-the-river hydroelectric project under the *Environmental Assessment Act* (Act). This response has been delayed pending discussions between yourselves and the permitting agencies, which I understand are underway.

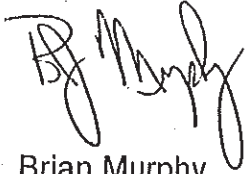
The threshold for review of hydroelectric projects is a power plant with a rated name plate capacity of 50 megawatts or greater, and the projects you have outlined do not individually meet that specification. Your proposal is, therefore, not automatically reviewable under the Act. If you wish to pursue a review under the environmental assessment process ("opt in"), please notify us in writing requesting that your project be considered for review.

The Minister by Order may designate the project as a reviewable project if the Minister is satisfied that the project may have significant adverse environmental, economic, social, heritage or health effects, the designation is in the public interest, and the project(s) have not substantially started.

.../2

If you have any questions regarding the environmental assessment process, please contact Sue Bonnyman, Project Assessment Manager, at (250) 387-1624.

Yours truly,

A handwritten signature in black ink, appearing to read "B. Murphy", written in a cursive style.

Brian Murphy
Project Assessment Director

pc: Sue Bonnyman
Environmental Assessment Office

Goulet, Bev J EAO:EX**Subject:** FW: Holmes Hydro**FILE COPY**

From: Bonnyman, Sue EAO:EX
Sent: Tuesday, July 31, 2007 3:55 PM
To: Piccini, Robert ENV:EX; Arthur, Bill ENV:EX
Cc: Murphy, Brian EAO:EX
Subject: Holmes Hydro

Further to our teleconference on Holmes Hydro, I was able to reach Duke Petersen yesterday afternoon, and he reiterated, in somewhat strong terms, his disinterest in having his project come into the environmental assessment office. He also seemed to be under the impression his referral process was close to a done deal, and expected to get his permit any day. I suggested he did not fully understand the process underway, and that he might like to get back to you folks and get some clarification on process. I hope between you, and he, that I did not misunderstand the status of his applications.

I have prepared a letter for EAO to send to Duke, indicating his project is not reviewable

S13, S14

further information to share, I would appreciate being kept informed.

if you have any

Sue Bonnyman
Project Assessment Manager

Goulet, Bev J EAO:EX

30020-051 namp -

From: Finkel, Paul EAO:EX
Sent: Wednesday, July 25, 2007 10:59 AM
To: Piccini, Robert ENV:EX
Cc: Murphy, Brian EAO:EX; Goulet, Bev J EAO:EX
Subject: Holmes River Hydroelectric Project

FILE COPY

Hello Robert,

Thanks for the phone call advising of proponent correspondence to the Water Stewardship Branch about a proposal for an IPP with 11 sites, a transmission line and a total rated nameplate capacity of approximately 85 MW.

Please forward the available background information to EAO. We will then contact the proponent directly and determine whether the project will be subject to the Environmental Assessment Act and require an environmental assessment.

Brian Murphy at EAO is the sector lead for energy projects such as IPP's and should receive the information. His contact information is:

Brian Murphy - Director
Environmental Assessment Office
PO Box 9426 Stn Prov
Victoria BC V8W 9V1

Tel: 250-387-2402
Fax: 250-356-6448
Email: Brian.Murphy@gov.bc.ca

Cheers.

Paul Finkel
Project Assessment Manager
Environmental Assessment Office
2nd Floor, 836 Yates Street
PO Box 9426 Stn Prov Govt
Victoria BC V8W 9V1
Tel: 250-387-8745
Fax: 250-387-2208
E-Mail: Paul.Finkel@gov.bc.ca

Murphy, Brian EAO:EX**FILE COPY**

From: Piccini, Robert ENV:EX
Sent: Wednesday, July 25, 2007 12:05 PM
To: Murphy, Brian EAO:EX; Goulet, Bev J EAO:EX
Cc: Bilodeau, Normand G ENV:EX; Thornton, Donna L ENV:EX; Humphrey, Gordon J ILMB:EX
Subject: RE: Holmes River Hydroelectric Project

Importance: High

Attachments: HOLMES HYDRO INC General Information.doc; Holmes Hydro WP app.pdf

Brian...

I contacted Paul this morning regarding this project which encompasses 11 sites along a river system east of Prince George, the Holmes River. The proponent is proposing 11 separate sites, 11 tributaries to the Holmes, with a common transmission line to the village of McBride and on down the line.

Now these 11 sites have a combined output or nameplate capacity of 84.5 megawatts, with a transmission line capacity of 138 KV and length of transmission that would be in excess of 40 kilometers.

Rather than sending all 11 application packages, I've enclosed a summary of these projects and a sample of one of the applications. Here is the contact information for your records;

HOLMES HYDRO INC.
 4040 Mountainview Road
 PO Box 99

McBride BC V0J 2E0

Contact name is William F.(Duke) Peterson @ (250) 569-3489



HOLMES HYDRO Holmes Hydro WP
 INC General Infor... app.pdf (966 K...

Keep me posted on this one, plus if you need additional information please contact me - Thanks.

Robert M. Piccini, ASCT

Assistant Regional Water Manager

Northern Service Centre – Prince George

Ministry of Environment – Water Stewardship Division

www.gov.bc.ca

Water for BC: Safe, sustainable and valued by all

✉: 325 - 1011 4th Avenue
 PRINCE GEORGE BC V2L 3H9

☎: 250.565.6441 / Fax: 250.565.6629

📞: 250.565.8845

✉: Robert.Piccini@gov.bc.ca

-----Original Message-----

From: Finkel, Paul EAO:EX
Sent: July 25, 2007 10:59 AM
To: Piccini, Robert ENV:EX

Cc: Murphy, Brian EAO:EX; Goulet, Bev J EAO:EX
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Please forward the available background information to EAO. We will then contact the proponent directly and determine whether the project will be subject to the Environmental Assessment Act and require an environmental assessment.

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Email: Brian.Murphy@gov.bc.ca

Cheers.

Paul Finkel
Project Assessment Manager
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Victoria BC V8W 9V1
Tel: 250-387-8745
Fax: 250-387-2208
E-Mail: Paul.Finkel@gov.bc.ca

Holmes River Hydro General Information

1. 11 separate projects each one on a different tributary of the Holmes River. These tributaries are not officially named. They're all un-named water courses. The applicant has assigned names in order to more easily track each individual project. They are, in sequence from lower to higher elevation, as follows: JR Creek, Tommy's Creek, Lauren Creek, Brian Creek, Judy Creek, Bench Lake Creek, Blueberry Creek, Keith Creek, Moose Wallow Creek, Kelly Creek and Jackpine Creek.
2. Access to the various sites is primarily from the Holmes River FSR. Applicant will use existing logging roads where available but will also have new road construction works.
3. The applicant has paid separate water power application fees plus GST for each project (11 x \$3,498.00).
4. Each project will consist of a power house, intake weir, penstock pipe, out flow area and short power line. Approximate area of improvements for each project is 6 hectares more or less.
5. There will be a number of tenures for each project. Each power house will be tenured by a 30 year lease. The intake weir, penstock pipe, out flow area and connective power lines by separate statutory rights of way. All will be initially authorized by interim licenses of occupation.
6. There will be one main transmission line that will carry power down to the Robson Valley to connect with the BC Hydro grid north of Valemount. This transmission line will likely closely follow the Holmes River FSR. Once we know the route, FCBC will generate an application for an electric power transmission line with separate referrals etc.
7. There is a potential alternative route that could proceed cross country to connect with the proposed ATCO Utility power line to the Terasen Rearguard Falls pumping station. This route is less certain.
8. Water Stewardship will be processing 11 water license applications, one for each tributary. They'll issue no Crown land use permits (PCL's).
9. The power generation of the projects is estimated as follows:

• JR Creek	= 7416 (kilowatts)	3708
• Tommy's Creek	= 6263	3131
• Lauren Creek	= 1980	990
• Brian Creek	= 7954	3977
• Judy Creek	= 9339	4670
• Bench Lake Creek	= 2984	1492
• Blueberry Creek	= 8157	4079
• Keith Creek	= 11224	5612
• Kelly Creek	= 13891	6946
• Moose Wallow Creek	= 6571	3286
• Jackpine Creek	= 8700	4350
	-----	-----
	= 84,479 kilowatts	= 42,241 kilowatts

The max. production would constitute a project of about 84.5 megawatts which would require an environmental assessment while average output estimated at 42.2 megawatts wouldn't.



Applying for a Water Licence

Updated March 2006

THIS PAGE MUST BE COMPLETED FOR ALL APPLICATIONS.

PLEASE READ THE APPLICATION FORM GUIDE WHEN COMPLETING THIS APPLICATION.

PART 1. NAME(S) AND MAILING ADDRESS

Client Name <input type="checkbox"/> OR Company Name <input checked="" type="checkbox"/> OR Society Name <input type="checkbox"/>		For applications made by more than one individual: <input type="checkbox"/> Joint Tenants; or, <input type="checkbox"/> Tenants in Common
Holmes Hydro INC. 4040 Mountainview road, P.O. Box 99 McBride, B.C., V0J-2E0		Your File Number (If applicable):
Contact Name of Agent (if applicable): William F. (Duke) Peterson		
BC Incorp. No., BC Registered No. or Society No.: 0772523		GST Registration Number: B3705328RT001
Mailing Address: Holmes Hydro INC., 4040 Mountainview road. P.O. Box 99, McBride, B.C.		
		Postal Code: V0J-2E0
E-mail Address: dukepeterson@telus.net		
Home Phone: (250) 569-3489	Business Phone: (250) 569-3489	Fax Number: (250) 569-3489

Applicant /Agent's Signature(s): W.F. Peterson	Date: Oct 28, 2006
Please Enclose Appropriate fees (see Fee Schedule: www.env.gov.bc.ca/wsd/water_rights/licence_application/fees_info.html)	
NOTE: Make cheque or money order payable to the Minister of Finance.	
The information you provide will be subject to the Freedom of Information and Protection of Privacy Act. If you have any questions regarding the treatment of your personal information, please contact the Manager, Privacy, Information Access and Records Management.	
In addition, the submission of this form does not in any manner convey any rights to use or occupy Crown land.	

PLEASE RETAIN A COPY OF THIS APPLICATION FOR YOUR RECORDS

FOR OFFICE USE ONLY

Date Received: OCT 30 2006	ENTERED INTO ATS Nov. 8/06 P.J.H. 3146	Water File Number: 7001800
Ministry of Agriculture and Lands Integrated Land Management Bureau Prince George BC		Client Number: S21
		Application Number: 2122334
		Map Number: 83E031
		Fees Received: \$5,000
		Receipt Number: 848423

FD 80313



Applying for a Water Licence – Water Act

NOTE: Once you have completed this form, please refer to the Application Completeness Checklist at www.env.gov.bc.ca/wsd/water_rights/licence_application/cabinet/app_complete_cl.pdf for additional information that must be submitted with this application.

PART 2. PLACE OF USE – LEGAL DESCRIPTION OF PROPERTY WHERE WATER IS TO BE USED

PID #	Land description: <i>Holmes Operating Area - 15 km - Holmes River</i>
	Civic address of the property: <i>27 km - East of McBride, B.C.</i>

An applicant must have tenure to the land where water will be used.
(Provide copies of Certificate of Title, Recent Tax Notice or Crown Land Tenure.)

Are you the Registered Owner?
Yes ☐ No ☒ Lessee ☐ Other ☐

Do you hold another water licence(s)?

Yes ☐ No ☒ If yes, state Licence Number: _____ File Number: _____ Client Number: _____

PART 3. PURPOSE(S) AND QUANTITY(IES) – Please refer to Schedule 1 (http://www.env.gov.bc.ca/wsd/water_rights/licence_application/cabinet/fees-water.pdf) – Water Purpose and Application Fees

Domestic: Number of dwellings: <i>N/A</i> Quantity (m ³ per day or Gallons) _____	Other: Quantity: _____ Unit: _____ Quantity: _____ Unit: _____
Irrigation: Quantity: _____ Unit: <i>N/A</i> Number of acres to be irrigated: _____	Stockwatering: Quantity: _____ Unit: _____ Number of stock: _____ Type of stock: _____

Note: For Water Licence application with proposed diversion rate over 100 m³ (25,000 gallons) a day, a Development Plan must be completed.

PART 4. SOURCE OF WATER

Name of Source: <i>Unnamed creek, we named it SR creek</i>	Flows into: <i>Holmes River</i>
If creek, brook or river, width and depth of source at diversion point: <i>5 m x 0.5 m</i>	

PART 5. WORKS—Existing or proposed to divert and convey water to place of use (works must be shown on drawing)

List Works		
a) Diversion Works	Pump <input type="checkbox"/> or Gravity Feed <input checked="" type="checkbox"/> Are any of the Works on Crown land? Yes <input type="checkbox"/> No <input type="checkbox"/>	Length of pipe into a river or lake measured from the high water mark: <i>N/A</i> m or _____ ft Length of Works on Crown land: <i>5000</i> m or _____ ft
b) Storage Works	Do you require storage? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, complete and attach Schedule 2 - Dam & Reservoir Information: www.env.gov.bc.ca/wsd/water_rights/licence_application/cabinet/sched2.pdf List Storage Works: <i>See Schedule 2 - Form</i>	
c) Additional Information	Joint with another's Works? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Works constructed? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Partially <input type="checkbox"/> Use of a Joint Works Agreement is recommended if part or all of your proposed works will be shared with other water licence holder(s). Enclosed: Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, with whom?

PART 6. OTHER LANDS PHYSICALLY AFFECTED BY WORKS

Do or will the Works occupy or flood another person's private land? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Landowner's Consent Form for private land affected Enclosed: Yes <input type="checkbox"/> <i>N/A</i> <input checked="" type="checkbox"/> Could not obtain <input type="checkbox"/>	Do or will the Works occupy or flood Crown land? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, PCL fee required with application
If yes to either question, provide the legal description of land affected	Name of Owner(s) including Crown land tenure holders <i>McBride Forest Ind. Ltd.</i>

Forest Licence - A15429 Page 2 of 4

SCHEDULE 2

DAM & RESERVOIR INFORMATION

REQUIRED IN SUPPORT OF A WATER LICENCE APPLICATION FOR STORAGE PURPOSE

1. WATER LICENCE APPLICATION INFORMATION FOR OFFICE USE ONLY

SURNAME <i>Peterson</i>		GIVEN NAME(S) <i>William</i>		Date Received	
MAILING ADDRESS <i>Holmes Hydro Inc, 4040 Mountainview road.</i>					
P.O. Box 99, McBride, B.C.				POSTAL CODE <i>V0J-2E0</i>	
E-MAIL ADDRESS <i>dakepeterson@telus.net</i>					
HOME PHONE <i>250.569.3489</i>		BUSINESS PHONE <i>250.569.3489</i>		FAX <i>250.569.3489</i>	
FILE NUMBER					
SOURCE(S) OF WATER (NAME OF STREAM WHERE WORKS ARE TO BE CONSTRUCTED) <i>(unnamed stream) we call it SR creek</i>					
PROJECT CONSULTANT <i>Charles McLean P. Eng</i>		<input checked="" type="checkbox"/> The Water Stewardship Division may recommend that the dam be designed by, and constructed under the supervision of, a Professional Engineer registered in the province of BC.			
MAILING ADDRESS <i>Firth Hollin Resource Science Corporation, P.O. Box 990</i>					
<i>1036 - 4th Ave, McBride, BC.</i>				PHONE <i>250.569.2333</i>	
				FAX <i>250.569.2355</i>	

2. PROPOSED WORKS - Please Complete 1 or 2 where applicable to your project.

1. DUGOUT/POND		IS THE DUGOUT CONSTRUCTED IN THE STREAM CHANNEL OR OFF STREAM? <i>N/A</i>			
		STORAGE CAPACITY dam ³ or m ³	LENGTH m	WIDTH m	MAXIMUM DEPTH m
2. DAM/RESERVOIR		NOTE: PLEASE ATTACH A DETAILED PLAN FOR (a) THROUGH (d) BELOW SHOWING CROSS SECTIONS AND PLAN VIEWS OF THE PROPOSED DAM/RESERVOIR STRUCTURE.			
		HEIGHT <i>5.0</i> m	LENGTH <i>12.0</i> m	CREST WIDTH <i>10.0</i> m	
a) STORAGE DAM <i>Diversion structure</i>		TYPE OF CONSTRUCTION MATERIALS <i>Concrete with, rock + earth.</i>			
		STORAGE CAPACITY <i>3000</i> dam ³ or m ³	FLOODED AREA <i>1.0</i> ha		
b) RESERVOIR		Land tenure where works are to be constructed and/or flooded, owned by: Applicant <input type="checkbox"/> Private <input type="checkbox"/> Crown <input type="checkbox"/>			
		DESCRIPTION/TYPE <i>Concrete apron with rock.</i>			
c) SPILLWAY		DESIGN FLOW <i>6.0</i> m ³ /s	FREEBOARD <i>2.0</i> m		
		DESCRIPTION/TYPE <i>Two 36" (90cm) steel pipe, located at the end.</i>			
d) LOW LEVEL OUTLET (SLUICeway)		NUMBER OF SEEPAGE COLLARS <i>Two collars</i>	CONTROL WORKS USED <i>Manual Aluminum gates.</i>		

3. STREAM HYDROLOGY FLOW INFORMATION

- (i) If the stream is perennial or flows intermittently, please provide a low flow assessment (for filling and maintaining reservoirs) and a high flow assessment (for determining dam design flood) and/or a complete hydrological assessment in support of your application.
- (ii) If the stream flow is ephemeral in nature (i.e., flows only during wet periods or during spring runoff), please provide an estimate of the drainage area above the dam or dugout location, an adequate summary of any measured stream flow information available and/or an estimate of high flows in support of your application.

Note: If you have any questions concerning the hydrology of your stream (source), please contact your local Water Stewardship Division Office for more detailed information.

4. FISH POND PERMIT

If you intend to place or maintain fish in your dugout or reservoir, you must obtain a Private Fish Pond permit or Commercial Fish Farm Licence. Please contact the nearest office of Ministry of Environment or the Ministry of Agriculture and Lands for more information.

NOTE: IF SPACE IS INSUFFICIENT, PLEASE ATTACH THE REQUESTED INFORMATION IN A COVERING LETTER OR REPORT

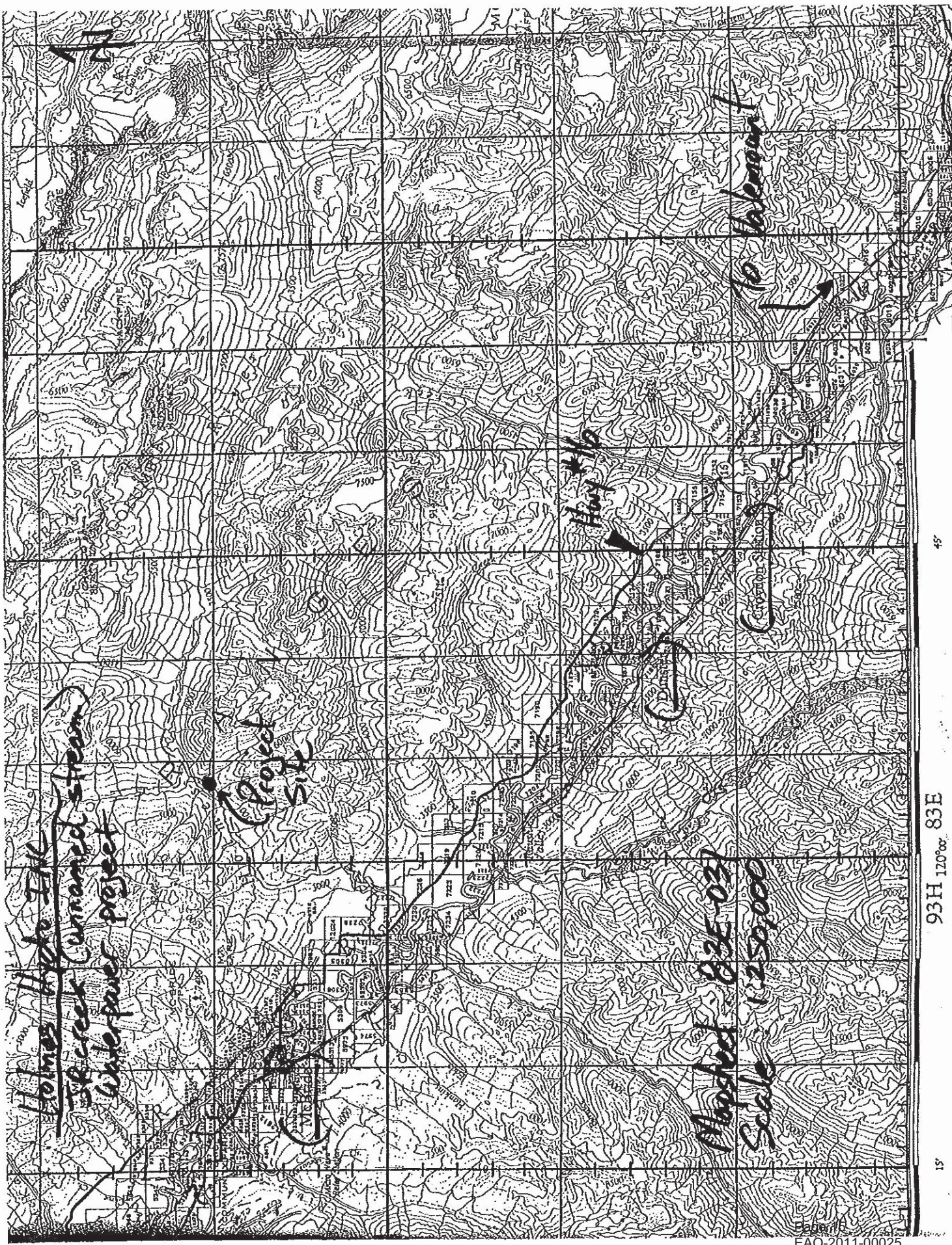


SCHEDULE 3 POWER INFORMATION

REQUIRED IN SUPPORT OF A WATER LICENCE APPLICATION FOR POWER PURPOSE

1. WATER LICENCE APPLICATION INFORMATION				FOR OFFICE USE ONLY	
PURPOSE: Residential <input type="checkbox"/> Commercial <input checked="" type="checkbox"/> General <input type="checkbox"/>				Date Received	
SURNAME <i>Peterson</i>		GIVEN NAME(S) <i>William</i>			
MAILING ADDRESS <i>Holmes Hydro Inc., 4040 Mountainview road, P.O. Box 99 McBride, B.C.</i>				POSTAL CODE <i>V0J 2E0</i>	
E-MAIL ADDRESS <i>dukepeterson@telus.net</i>					
HOME PHONE <i>250.569.2489</i>		BUSINESS PHONE <i>250.569.3489</i>		FAX <i>250.569.3489</i>	
SOURCE(S) OF WATER (NAME OF STREAM WHERE WORKS ARE TO BE CONSTRUCTED) <i>(unnamed stream) we call it - JR creek</i>				FILE NUMBER	
PROJECT CONSULTANT (IF ANY) <i>Charles (Archie) McLean P. Eng., Firth Hollin Resource Science Corporation, P.O. Box 990, 1036 4th Ave, McBride, B.C.</i>					
MAILING ADDRESS				PHONE <i>250.569.2333</i>	
				FAX <i>250.569.2355</i>	
2. GENERAL PROJECT INFORMATION - Please complete entire section.					
ANTICIPATED POWER PRODUCTION		MAXIMUM <i>7416 kw</i>		MINIMUM <i>200 kw</i>	
		AVERAGE <i>3708 kw</i>			
MAXIMUM STREAM FLOW REQUIRED		FLOW RATE <i>1.8 m³/s</i>			
POWER PRODUCED FOR		Indicate how the power will be used. Check all that apply. a) PERSONAL USE <input type="checkbox"/> c) SALE TO BC HYDRO & POWER AUTHORITY <input type="checkbox"/> b) SALE TO OTHERS <input type="checkbox"/> d) SALE TO OTHER POWER AUTHORITY <input type="checkbox"/>			
3. PROPOSED WORKS - Please complete where applicable for your project.					
a) STORAGE DAM <i>Diversion structure</i>		HEIGHT <i>5.0 m</i>		LENGTH <i>12.0 m</i>	
		TYPE OF CONSTRUCTION MATERIALS <i>Concrete with rebar, rock earth.</i>			
b) RESERVOIR		STORAGE CAPACITY <i>3000 dam³ or m³</i>		FLOODED AREA <i>1.0 ha</i>	
		If a dam is incorporated please complete Schedule 2 - Dam & Reservoir Information.			
c) INTAKE		DESCRIPTION <i>Concrete, rebar, rock (holding tank)</i>			
		FISH SCREENS <i>N/A</i>			
		OTHER FEATURES			
d) PENSTOCK		FLUME, PIPE, TUNNEL, ETC. - DESCRIPTION <i>Steel pipe</i>			
		LENGTH <i>2600 m</i>		WIDTH/DIAMETER <i>1.05 m</i>	
		DEPTH (IF FLUME) <i>1.25 cm</i>		PRESSURE RATING (IF PIPE) <i>500 kPa</i>	
		ELEVATIONS - UPPER END <i>1500 m</i>		ELEVATIONS - LOWER END <i>900 m</i>	
		Elevations may be expressed as heights above the level of the turbine.			
e) TURBINE		TYPE <i>Pelton</i>		RATING <i>3500</i>	
f) GENERATION		TYPE <i>Alcora</i>		RATING <i>3500</i>	
g) TAILRACE		FEATURES <i>Concrete with rebar + steel plate</i>			
		DISCHARGES TO <i>JR creek (unnamed stream)</i>			
h) OTHER EQUIPMENT		STORAGE BATTERIES, ETC. - DESCRIPTION <i>Storage Batteries</i>			

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93H 120°00' 83E

15'



Bonnyman, Sue EAO:EX

3020-05 MRHP-

FILE COPY

From: Murphy, Brian EAO:EX
Sent: Wednesday, July 25, 2007 12:18 PM
To: Piccini, Robert ENV:EX
Cc: Bonnyman, Sue EAO:EX
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Robert: Thank you for the information. We will follow-up with Holmes Hydro.

Brian

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Sent: Wednesday, July 25, 2007 12:05 PM
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Importance: High

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PO Box 99

McBride BC V0J 2E0

Contact name is William F.(Duke) Peterson @ (250) 569-3489

<< File: HOLMES HYDRO INC General Information.doc >> << File: Holmes Hydro WP app.pdf >>

Keep me posted on this one, plus if you need additional information please contact me - Thanks.

Robert M. Piccini, ASCT

Assistant Regional Water Manager

Northern Service Centre - Prince George

Ministry of Environment - Water Stewardship Division

www.gov.bc.ca

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PRINCE GEORGE BC V2L 3H9

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✉: Robert.Piccini@gov.bc.ca

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Sent: July 25, 2007 10:59 AM
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Cc: Murphy, Brian EAO:EX; Goulet, Bev J EAO:EX
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Tel: 250-387-2402
Fax: 250-356-6448
Email: Brian.Murphy@gov.bc.ca

Cheers.

Paul Finkel
Project Assessment Manager
Environmental Assessment Office
2nd Floor, 836 Yates Street
PO Box 9426 Stn Prov Govt
Victoria BC V8W 9V1
Tel: 250-387-8745
Fax: 250-387-2208
E-Mail: Paul.Finkel@gov.bc.ca

Bonnyman, Sue EAO:EX

30020-051 11244P-

FILE COPY

From: Arthur, Bill ENV:EX
Sent: Fri, March 9, 2007 3:02 PM
To: Bonnyman, Sue EAO:EX
Cc: Murphy, Brian EAO:EX; Thornton, Donna L ENV:EX; Pillipow, Ray ENV:EX; Peterson, Mike ENV:EX; Cadden, Don ENV:EX
Subject: Holmes River Hydro Projects

Thank you for the information from our telephone conversation (March 9, 2007) regarding these projects. I now understand the trigger (Reviewable Projects Regulation) for this type of hydro project is based upon each individual **hydroelectric power plant** being greater than or equal to 50 MW and not the total of all the proposed plants for these projects.

As requested by you, here are our concerns:

- all (or most of) the proposed hydroelectric power generation sites are required to make this project viable.
- the total for all the proposed hydroelectric power plants would exceed the 50 MW trigger.
- all the proposed hydroelectric power plants are located on small stream section of the upper Holmes River.
- power collection and transmission lines adjacent to the Holmes River..
- some of the proposed site developments most likely trigger CEA, due to the need of an authorization under the Federal Fisheries Act.

We believe due to high values and risk of the cumulative impacts of these projects (individual hydroelectric power plants and power lines) it should be considered as one project.

I have attached the meeting summary from our recent meeting with Holmes Hydro Inc.

Please contact me if you have any questions.

W. R. (Bill) Arthur
Senior Ecosystem Biologist
Ministry of Environment
Environmental Stewardship Division - Omineca Region
4051 - 18th Ave, Prince George BC V2N 1B3
Phone: (250) 614-9902 Fax: (250) 565-6940
<mailto:Bill.Arthur@gov.bc.ca>

Meeting for Holmes River Hydro Projects at Triton offices on 5th Avenue, PG (2007-03-07 from 10:30 to 11:45 a.m.)

Attendees: Duke Peterson - Holmes Hydro Inc (proponent), Ryan Liebe - Triton (consultant)
Bill Arthur - Ecosystems, Ray Pillipow - Fisheries, Donna Thornton - Ecosystems (government)
Absent: Gordon Humphries - FCBC (government), Tim Panko (DFO - but not sure if got message)

Proposal Tracking:

Holmes Hydro proposal received at MOE offices Feb. 26/07, ESD office on 27th. Duke left voice message for Ray Pillipow on 27th. Ray forwards email to Donna, Donna calls Duke same date and sets up meeting as the proposal doesn't have enough reviewable material in it for us to provide comment, but proponent is anxious to learn about our concerns. Duke contacts Ryan Liebe with Triton to host meeting, I advise DFO should be there. Ryan initiates contact with Tim Panko (DFO Clearwater). I speak to Ryan on March 1st and meeting confirmed for 7th. I called Gord Humphries of FCBC on this date to advise of our meeting and extend invitation, so that we could discuss the FCBC process for IPP's and how to get the information we need to be able to provide comment (as ESD has other similar IPP project referrals eg: Amnis & Kiwa, Tete, McLennan). He said he'd be there, I advised him of location and time.

Meeting on March 7th

- go over breadth of proposal, economical only if most or all streams are used as cost of power line very high (~\$35 million estimated);
- if project cannot be done 'piecemeal' (or one stream at a time in a longer time frame), should consider as one major

- project, for the cumulative environmental impact in time could be substantial;
- MOE recommendation made to consider the EAO process, as CEA evaluation and certificate would provide certainty to investors;
- proponent concerned over amount of time spent in permitting process already, as had submitted referrals to FCBC four months ago;
- MOE communicated the need for WSD to be involved for licence under Water Act (see their process on their website);
- MOE communicated the need for ILMB to be involved for tenures;
- MOE communicated the need for MOFR to be involved for road permits (or use agreements?) and bridge installations, plus discuss any access measures that could be used to control recreational trespass to protect private commercial facilities;
- MOE communicated the need for DFO to be involved as they will require compensation plan if must give authorization for a HADD to be allowed, could trigger a CEA anyway (if reach threshold?) if fish evaluations reveal fish in many of these streams;
- ESD issues reviewed:
 - Fish population distributions (eg: have bull trout genetic research and telemetry studies to show in system, also salmonid use of lower reaches of these streams),
 - LRMP concerns and social direction for Holmes River valley, community and FN consultation?
 - Wildlife evaluations for caribou, grizzly, mountain goats and WHF in area.
 - Need mitigation plan for soil disturbance from burying penstock, water crossing and drainage structures for supply road construction,
 - Consideration and ID of the risk of mass wasting events (as a function of roads in steep valleys) on down stream fish habitat,
 - Discussed the expectations of MOE if proponent's environmental studies confirm fish presence in the area of interest.

Action Items:

- MOE (Ray) to discuss DFO involvement with Tim Panko.
- MOE (Donna) to forward Duke's contact information and any details on his meeting with the EAO office to Bill.
- MOE (Bill) to contact EAO office to discuss the magnitude of project, CEA?
- Proponent (Duke/Ryan) to continue with fish assessments to ascertain how many of the 11 streams have fish (as they may possibly require compensatory works if DFO authorizes?). Need to make 'go-no go' call on economic basis and three years timeline.
- Proponent to set next meeting when?

Bonnyman, Sue EAO:EX

30020-05 INRHP

From: Bonnyman, Sue EAO:EX
Sent: Wed, December 6, 2006 12:47 PM
To: 'dukepeterson@telus.net'
Cc: Murphy, Brian EAO:EX
Subject: Holmes Hydro Proposal

FILE COPY

Hello Duke. I am following up on our Dec. 6th conversation regarding your letter to Brian Murphy dated Nov. 11, 2006. I understand you are going to do some checking around and get back to me on how you would like to proceed. Subsequent to our conversation, I was advised the non EA permitting process can take up to 2 years. I hope you are able to contact some local developers with recent experience in the permitting process.

If you want to talk to a developer with experience with both processes, I suggest you contact Bob Poore of Plutonic Power, 604-669-4999. He has given his permission to share his name and number.

To check out the documentation on the EA process you can go to our main webpage:

<http://www.eao.gov.bc.ca/>

For information on other run of the river project reviews, you can access our project information website Epic:

http://www.eao.gov.bc.ca/epic/output/html/deploy/epic_home.html

Suggest you look at Forest Kerr, Upper Harrison, and East Toba Montrose Ck. projects.

If you have any questions, please give me a call.

Sue Bonnyman
Project Assessment Manager
250-387-1624

McBride BC 107000
November 11, 2006

FILE COPY

Mr. Brian Murphy
Project Assessment Director
Environmental Assessment Office
PO BOX 9426 Stn Prov Govt
Victoria BC V8W 9V1
Tel: 250-387-2402
Fax: 250-387-2208
E-mail: Brian.Murphy@gov.bc.ca

ePIC #	DM
RECEIVED	DUPP
NOV 17 2006	MCS
Log # 97109	PAO ✓
Environmental	PAM ✓
Assessment Office	PAG
	ePIC
	Other

Dear Sir;

This letter is regarding a proposed Hydro Electric Development.

I was given your name by Paul Finkel as a contact person. Paul requested that I send you information on the project so that a determination could be made as to whether a review was necessary or whether the review and studies to be done for the lands and water branch may suffice.

Here is a list for a project description as requested in the email from Paul Hinkel.

Proponent information:

The project is being done by Holmes Hydro Inc., Box 99, McBride BC. Contact Duke Peterson at 250-569-3489 (phone, fax, and message) or email dukepeterson@telus.net. The company was incorporated in BC on Oct. 23, 2006. #BC0772523.
The share holders are

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General Background Information:

The proposal involves building 11 small hydro plants on tributaries of the Holmes River.

Entrance to the Holmes River Valley is approximately 15 KM East of McBride BC. A 55 km long forest service road and numerous skid roads give good access to the 11 tributary creeks we propose to use for power.

The individual systems are all run of the river. No large impoundments of water are contemplated.

The total from each creek and its location along the Holmes Forestry Road are indicated in the following table.

names	KM location on road	meters of penstock	head	flow	MW	KW
JR	15	2500	600	1.8	7.4	7416.36
Tommy's	21	2900	400	2.28	6.2	6262.704
Lauren	22	1600	280	1.03	1.9	1980.443
Brian	24	1600	300	3.62	8.0	7954.733
Judy	32	2200	340	4	9.3	9339.12
Bench Lakes	38	2300	820	0.53	3.0	2984.398
Blueberry	42	2200	450	2.64	8.2	8157.996
Keith	43	2400	350	4.67	11.2	11224.11
Kelly	52	2800	350	5.78	13.9	13891.94
Moose	53	2200	550	1.74	6.6	6571.719
Jackpine	55	2200	530	1.9	6.9	6915.069
Bess(part of Jackpine)		2300	390	0.66	1.8	1767.566
					84.1	84466.16
					Name plate	
					Average Actual production	Total kw 42000

We are including maps of all the individual creeks with information on the inlets, penstocks, powerhouses, and tailraces.

We are also including a map of the power line rights of way. Note that the power line follows the existing corridor of the road way or existing logging roads. The cutting for the power line right of way is minimal and mostly in brush growth. The power line will run approximately 55 km along the existing road.

The tributary creeks all feed into the Holmes River. The creeks are steep, have no fish, (the inlet, penstocks, powerhouses, and tailraces, are all above the fish bearing portions of the creeks) are accessible, have good volume flow, and have a large drop to the floor of the valley.

The Holmes watershed has been extensively logged and nearly all of the sites are in or near a cut block. (The cut blocks are indicated on the overall map)

For years people have known that these sites were ideal for development for hydro electric purposes but two things stopped the development. First was a lack of a power line that could receive the power! The distribution line from BC Hydro is too small to accept *any* additional power without the result of huge line losses. The addition of this system would have been out of the question.

Our plan to aggregate all the sites allows us to spread the cost among the plants for building a *new high voltage line to connect all the way to a main transmission line from BC Hydro.*

As a fortunate coincidence Terasen Gas is currently building a main transmission line extension from the Valemount Sub station that goes a long way toward our project.

I have had a discussion with the mayor of McBride regarding the line extension. The mayor was very pleased with the prospect of a line extension and the prospect of islanding power for the area. (Islanding is when a local source of power takes over in the event that the regular supply is severed) The project will give McBride many positive benefits.

BC Hydro has projected shortfalls of power in the future for the province and has expressed the desire to provide additional power with "green" sources.

Some of the positive things that will result from the project are:

- 1: A large enterprise requiring electricity could now envision settling in the Robson Valley. (The present situation is that a new enterprise might not have the quantity and reliability of power needed for production.)
- 2: Power outages would be reduced by the possibility of rerouting. If one part of the system failed the other line could be used. The occurrence of power outages is frequent at present.
- 3: Islanding power could be available in sufficient quantity to power everything in the valley. In the past there have been outages that lasted from a few hours up to several weeks. The islanding system we could provide would have been able to shorten those outages to perhaps an hour or less.
- 4: The construction jobs created would be in the order of 110,000 to 150,000 man hours. This would employ at least 60 people for two or three years.
- 5: The economic spin-off of the materials purchased, the wages, the taxes on the wages, etc. would be good for the local economy.

6: The property taxes and water use fees would be in the order of \$1,600,000.00 per year to the Province and Regional District.

7: Several full time jobs will be created.

8: Income taxes will be paid corporately and individually.

9: A more secure and reliable supply of power will help avoid losses to stores and businesses that have occurred in the past few months and years. One store owner reported freezer losses of \$12000 during the last outage.

10: The electricity produced will help in a small way to prepare for the shortfall in power predicted by BC hydro.

11: The electricity produced will be environmentally friendly and "green" and will offset some of the environmental problems that are associated with other types of production. On the subject of "green", or of the environmental impact of the project, we have lots of positive things to say in favor of the project. This type of power generation offers power with the least impact that is possible to any type of generation! The actual amount of land affected is small compared to the amount of power produced. The water is diverted and returned to the creek without affecting the quality of the water and without affecting any fish. All disturbed soil in the right of way is replanted to grasses. The cattle pasture in the area will be augmented. No smoke, no carbon, no by products. The sites all have large logging areas nearby that will make the small impact even less noticeable. (The logging areas provide many skid roads that augment access).

Project Overview:

The systems consist of:

- 1- A diversion structure of concrete, rock, and earth that directs the water into a penstock.
- 2- A steel penstock that sends the water down the mountain to the turbines.
- 3- A turbine or turbines that turn the generators
- 4- Generators that produce electricity that is sent to the transformer substations.
- 5- Powerhouses that house the turbines and generators and switchgear.
- 6- Tailraces send the water back into the creek.
- 7- Power lines that send the power to BC Hydro.

The project construction phase may take up to 3 years.

Once completed the life of the project will be more than 40 years. The life of this type of project has been seen to be more than 80 years in some instances.

The positive economic impact will continue during the whole life of the project. The cost to the government is almost nothing once the plants begin production since it takes very little time by government employees to oversee and to collect the fees. The government supervision and overseeing of the construction is offset by application fees.

Currently the government collects about \$500000 per year from logging in this valley. That will come to an end in the next year or two as nearly all the timber has been cut. Now the replanting and road expenses will not have an offsetting income for additional harvest.

Differing from logging, this project will begin paying around \$1600000 per year, and the fees will last as long as the plants are there and water runs down hill! No further costs will accrue from replanting once the construction is complete.

The environmental impact after construction is almost nothing.

Land Use Setting:

The land used is entirely Crown land.

Consultation Activities:

Lands and Water will require that we hold information meetings with the general public. Referrals will be sent by Lands and Water to a list of entities including First Nations, DFO, and all levels of government. I believe the logging operator, trapper, grazing permit holder, and BC Parks will all receive referrals along with others.

I will have a special meeting with the council of the Village of McBride in the near future. I will invite the regional district representative to attend that meeting.

I plan to give our MLA an information package as well.

Proposed Development Schedule:

Information has been provided with our application to Land and Water. We will commence fish studies in the spring of 2007 and continue studies during the season as directed by the Department of Environment.

All the sites will be reviewed by a Geotechnical engineer as well as a biologist.

As a timeline for development we would like to have a permit in place in Oct. or Nov. of 2007. Construction of the right of ways would commence when the permits are issued. Construction of everything else would start in the spring of 2008. Completion would be in 2009.

Required Permits:

Water Licenses
Land occupation licenses
Electrical permits
Right of Ways
Cutting Permit
Log Stamp
Building permits
Septic permits
B C Hydro connection permits
DFO approval

We stand ready to answer any additional questions at your convenience. The daytime phone, fax, and message machine here is 250-569-3489.

Regards,

A handwritten signature in cursive script that reads "Duke Peterson". The signature is written in dark ink and is positioned in the center of the page, below the "Regards," and above the typed name.

Duke Peterson
President
Holmes Hydro Inc.