

**Hodges, Celyne ABR:EX**

**From:** deJong.MLA, Mike [Mike.deJong.MLA@leg.bc.ca]  
**Sent:** Thu, March 15, 2007 11:26 AM  
**To:** Minister, ABR ABR:EX  
**Subject:** FW: First Nations Energy Summit



**From:** Cindy Burton s.22  
**Sent:** Monday, March 12, 2007 9:39 AM  
**To:** deJong.MLA, Mike  
**Subject:** First Nations Energy Summit

Hi,  
 Donald McInnis of Plutonic Power would like to follow up on information regarding a First Nations Energy Summit. He is interested in knowing how the private sector will be able to participate and if the intent of the summit is to have a tri-partite approach between First Nations, Government and Industry.  
 With thanks,  
 Cindy

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

**From:** Donald McInnes  
**To:** Nancy Goertzen  
**Cc:** Bob Poore ; Grig Cook ; Marc Stachiw ; Cindy Burton  
**Sent:** Friday, March 09, 2007 4:06 PM  
**Subject:** RE:

I have heard nothing about this but will ask Reimer about the same. Cindy could you follow up with De Jongs ministry please.

Donald

North Vancouver  
 April 2 - 4, 2007

Coast Salish Territory/Vancouver, BC - The BC Assembly of First Nations, First Nations Summit and Union of BC Indian Chiefs announced today they will jointly host a province-wide First Nations Energy Summit from April 2 - 4, 2007 at the Chief Joe Mathias Centre in North Vancouver.

The first day and a half of the summit will provide a forum for open dialogue with government and industry on both renewable and non-renewable energy issues and opportunities. First Nations leaders will begin work on developing a BC First Nations Energy Action Plan to address challenges and opportunities of the energy sector and lay the foundation for appropriate First Nations participation with government and industry at the early stages of all energy proposals within First Nations traditional territories.

"The First Nations Energy Summit will provide a critical opportunity for the Chiefs to assemble and consider the BC Government's recently released Energy Plan and explore cooperative engagement

among First Nations, the federal and provincial governments, industry and stakeholders on all energy issues from on-shore to off shore", said Regional Chief Shawn Atleo of the BC Assembly of First Nations.

Among those confirmed to speak at the Energy Summit are internationally known environmentalist and climate change expert Dr. David Suzuki, United States Consul General Lewis Lukens and Chinese Consul General Yang Qiang. Others invited to speak at the Summit include BC Premier Gordon Campbell, Minister of Indian and Northern Affairs, Jim Prentice, BC Minister of Energy, Mines and Petroleum Resources, Richard Neufeld, and California Governor Arnold Schwarzenegger.

"First Nation communities are hopeful that this Summit will be a positive example of the New Relationship in action. We look forward to having senior government officials attend the First Nations Energy Summit and provide First Nations with commitments to ensure the New Relationship between First Nations and the provincial government produces workable on the ground solutions that respect our rights and entitlements at the community level on present and future energy matters", added Grand Chief Stewart Phillip, President of the Union of BC Indian Chiefs.

"Climate change is a primary concern of all Canadians including First Nation people. We want to encourage and ensure First Nation voices are heard loud and clear in our efforts to contribute to the national debate on issues of energy development and the environment. The First Nations Energy Summit in April will be an important start to BC First Nations participating in shaping this significant agenda", concluded Grand Chief Edward John, a member of the First Nations Summit political executive.

-30-

The First Nations Leadership Council is comprised of the political executives of the First Nations Summit, Union of BC Indian Chiefs and the BC Assembly of First Nations. The Council works together to politically represent the interests of First Nations in British Columbia and develop strategies and actions to bring about significant and substantive changes to government policy that will benefit all First Nations in British Columbia.

For more information:

Grand Chief Stewart Phillip, UBCIC: (250) 490-5314

Colin Braker, First Nations Summit: (604) 926-9903

Heather Gillies, BC Assembly of First Nations: (604) 922-7733

**Nancy H. Goertzen**

Investor Relations

Plutonic Power Corporation

Stock Symbol: PCC

604.669.4999

[nancy.goertzen@plutonic.ca](mailto:nancy.goertzen@plutonic.ca)

[www.plutonic.ca](http://www.plutonic.ca)

Suite 600

888 Dunsmuir Street

Vancouver BC

V6C 3K4

---

No virus found in this incoming message.  
Checked by AVG Free Edition.

## Manz, Sharon ABR:EX

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**From:** Bonnyman, Sue EAO:EX  
**Sent:** Thursday, January 26, 2006 10:45 AM  
**To:** Gilmore, Dan PAB:EX; Lang, Catherine PAB:EX; Nakken, Peter ABR:EX  
**Cc:** Leslie, Lisa PAB:EX; Karn, David PAB:EX; Wallis, Bryan ABR:EX; Fern, Dave ABR:EX; Manz, Sharon ABR:EX; Elewonibi, Margo ABR:EX; Cieslak, Valerie ABR:EX; Tailleir, Roger D EAO:EX; Porter, Michelle L EAO:EX; Goulet, Bev J EAO:EX  
**Subject:** RE: Klahoose (FILE: 63400-80/KLAH1/ENV1) Peter

Hello all, I am concerned that a scattered approach is underway, where the right hand and left hand are not aware of each other. Catherine and Dan, can you please talk to each other and whoever at MOE and sort what is happening, and who I need to talk to.

Sue Bonnyman

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

**From:** Lang, Catherine PAB:EX  
**Sent:** January 26, 2006 10:33 AM  
**To:** Nakken, Peter ABR:EX  
**Cc:** Leslie, Lisa PAB:EX; Karn, David PAB:EX; Bonnyman, Sue EAO:EX; Wallis, Bryan ABR:EX; Fern, Dave ABR:EX; Manz, Sharon ABR:EX; Elewonibi, Margo ABR:EX; Cieslak, Valerie ABR:EX  
**Subject:** RE: Klahoose (FILE: 63400-80/KLAH1/ENV1)

Thanks for this Peter. We've connected with our counterparts at MoE who will follow up with Sue's staff at EAO to start drafting an issues note. We will want to include a few bullets in the note  
s.16 , so please keep us posted.

Catherine

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**From:** Nakken, Peter ABR:EX  
**Sent:** Thu, January 26, 2006 9:19 AM  
**To:** Lang, Catherine PAB:EX  
**Cc:** Leslie, Lisa PAB:EX; Karn, David PAB:EX; Bonnyman, Sue EAO:EX; Wallis, Bryan ABR:EX; Fern, Dave ABR:EX; Manz, Sharon ABR:EX; Elewonibi, Margo ABR:EX; Cieslak, Valerie ABR:EX  
**Subject:** RE: Klahoose (FILE: 63400-80/KLAH1/ENV1)

Hi Catherine:

Yes, the project is on Crown land. It currently going through an Environmental Assessment review (Sue Bonnyman is taking the lead at EOA. I am meeting with Sue tomorrow to exchange information from meeting we both have had with Klahoose recently.

s.16

*Peter Nakken*

Ministry of Aboriginal Relations & Reconciliation

Ph: (250) 387-5237 Fax: (250) 387-0887 Cell: (250) 888-1592

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

**From:** Lang, Catherine PAB:EX  
**Sent:** Thursday, January 26, 2006 9:04 AM  
**To:** Nakken, Peter ABR:EX; Wallis, Bryan ABR:EX  
**Cc:** Leslie, Lisa PAB:EX; Karn, David PAB:EX  
**Subject:** Klahoose

Hi guys :-)

Do either of you know if this proposed hydro project is on Crown land? Or anything else about this issue, for that matter. MEMPR/PAB is inquiring.

Thanks.

**Band opposes hydro plan**

**Vancouver Sun. C02. 26-Jan-2006**

Copyright

Catherine Lang  
A/Communications Manager  
Ministry of Aboriginal Relations and Reconciliation

250.387-1204 (office)  
250.882-4831 (cell)  
250.356.2213 (fax)



Page 05

Withheld pursuant to/removed as

Copyright



## KLAHOOSE FIRST NATION

Box 9, Squirrel Cove, Cortes Island, B.C., V0P 1K0  
 (250) 935-6536, fax (250) 935-6823

63400-80 / KLAHOOSE / PPEL

# Fax Transmission

X-REF: HOMAL  
 SUMI  
 SECHL  
 WYVONZ

**To:** Margo Elewonibi, Senior Treat Negotiator 250-356-6662  
 Jim Doswell, chief Treat Negotiator 604-775-7149  
 Chief Darren Blaney, Homalco First Nation 250-923-4987  
 Chief Walter Paul, Sliammon First Nation 604-483-9769  
 Chief Stan Dixon, Sechelt First Nation 604-885-3490  
 Dan Smith, Hamatla Treaty Society 250-287-9469

**From:** Kathy Francis, Assistant Negotiator

**Re:** Submission of terms of reference

**Date:** October 28, 2005

**Total # of Pages** (including cover) 13 pages

Introduction page and document is numbered from page 2 to page 12

Please confirm receipt of document as soon as possible to the following e-mail address.

klahoose@telus.net or if you prefer by telephone @ 250-935-6536

Thank you,  
 Treaty Executive Assistant  
 Brenda Hanson  
 Klahoose First Nation

COPIED TO:	
Peter N	
Bryan W	
Dave F	
Val C	

Pages 7 through 18 redacted for the following reasons:

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s.16

# Plutonic

## POWER CORPORATION



August 10, 2007

Direct Line: (604) 678-6747

Email: [donald@plutonic.ca](mailto:donald@plutonic.ca)

Hon. Michael de Jong  
Minister of Aboriginal Relations and Reconciliation  
Province of British Columbia

19841

MINISTRY OF ABORIGINAL RELATIONS & RECONCILIATION MINISTERS OFFICE			
AUG 10 2007			
RECEIVED			
DRAFT REPLY <input type="checkbox"/>	FNA <input type="checkbox"/>	FYI <input type="checkbox"/>	
REPLY DIRECT <input type="checkbox"/>	FILE <input type="checkbox"/>		

Dear Minister de Jong:

**Re: Invitation to Groundbreaking Ceremony**

Congratulations on what has been a very successful summer for the BC Treaty process. I know that a lot of dedication and hard work from the BC Liberal government has gone into the process of improving relations between aboriginal and non-aboriginal British Columbians. The New Relationship has been an excellent catalyst to many innovations and we look forward to future progress as this new foundation continues to grow.

As a land and water based green energy company, one of our foundations as a company is forming successful partnerships with First Nations in the areas we operate. We believe the relationships that have been built as a result of the Toba/Montrose project represent a great example of how the New Relationship extends beyond government to government relationships and into the economy of our province.

I hope you can join us on September 14<sup>th</sup> or 15<sup>th</sup> at our official groundbreaking ceremony. This will be an important milestone in moving the largest green energy IPP project in the province forward. We have provided 2 dates in order to provide as much flexibility as possible in coordinating your very busy schedules as ministers. If you are unable to attend, we would welcome an opportunity in the very near future to tour the Green Power Corridor and see first hand the exciting future this area holds for clean, green, run-of-river power production.

For your planning purposes, please do not hesitate to contact our Director of Corporate Communications, Elisha Moreno at 604-669-4999 ext 1047 or by email at [elisha.moreno@plutonic.ca](mailto:elisha.moreno@plutonic.ca).

Sincerely,

**PLUTONIC POWER CORPORATION**

Donald McInnes  
President

Suite 600-888 Dunsmuir Street, Vancouver, B.C. V6C 3K4 Tel: 604-669-4999 Fax: 604-682-3727 Toll Free: 877-669-4999

# Plutonic POWER CORPORATION

**COPY**

August 10, 2007

Direct Line: (604) 678-6747

Email: [donald@plutonic.ca](mailto:donald@plutonic.ca)

Hon. Richard Neufeld  
Minister of Energy, Mines and Petroleum Resources  
Province of British Columbia

Dear Minister Richard Neufeld:

**Re: Invitation to Groundbreaking Ceremony**

On behalf of Plutonic Power Corporation, GE Energy Financial Services and our First Nations partners, I would like to invite the government of British Columbia to attend an official groundbreaking ceremony for BC's largest run-of-river green energy project, the \$660 million, 200 MW East Toba River and Montrose Creek Hydroelectric Project (Toba/Montrose project), located in the beautiful Toba Valley, north of Powell River on September 14<sup>th</sup> or 15<sup>th</sup>, 2007.

This groundbreaking ceremony will mark a significant milestone in the development of the 1500 MW "Green Power Corridor" a series of 31 non-storage hydroelectric projects that once built will generate enough electricity to meet the needs of approximately 500,000 homes and will help BC become self sufficient to meet its Energy Policy objectives. The Toba/Montrose project was the largest project awarded an energy purchase agreement by BC Hydro in its 2006 call for tender process.

We believe it is important to recognize and celebrate the key role the Provincial Government has played in the success of renewable energy development in BC. Without the government's Energy Plan, opportunities such as the Toba/Montrose project would not have moved from concept to reality. We appreciate the diligence and effort that your Crown agencies, BC Hydro and the BC Transmission Corporation, have put into moving the Energy Plan forward and working as our partners in advancing this significant project.

As a green energy company working with the province's water and land resources, both the Ministry of Agriculture and Lands and the Ministry of Environment have done great work in moving through the permitting and licencing processes for this new sector. We welcome and invite these ministries to join us at the event and look forward to our future projects in the Green Power Corridor successfully going through the permitting processes.

In addition, as our First Nation partners are essential to the success of this project, we would welcome attendance by the Minister responsible for Aboriginal Relations and Reconciliation, the Honourable Michael de Jong. The Toba/Montrose project is an exceptional example of the mutual benefits and value of First Nations partnering in the spirit of the New Relationship.

Hon. Richard Neufeld  
Minister of Energy, Mines and Petroleum Resources  
August 10, 2007  
Page 2

The groundbreaking ceremony will be attended by the following groups:

- First Nation partners – Klahoose, Sliammon and Sechelt First Nations
- Toba/Montrose project financial partners from GE Energy Financial Services
- Local government and business representatives from Powell River (invited)
- Key project contractors – Peter Kiewit Sons Co., Knight Plésold Ltd.
- Executive from BC Hydro and BCTC (invited)
- Key media (invited)

A draft event itinerary is attached to assist in the logistical considerations of your potential participation, as the project site access is limited to plane or boat. We will work closely with your communication officials to ensure appropriate arrangements and accommodations for media are facilitated. As we have held 2 dates - September 14<sup>th</sup> or 15<sup>th</sup> - available to fit your schedule, if you could confirm a preferred dated by August 17<sup>th</sup>, that would assist greatly with our planning.

We look forward to the provincial government's participation in this milestone event. For planning purposes, please do not hesitate to contact our Director of Corporate Communications, Elisha Moreno at 604-669-4999 ext 1047 or by email at [elisha.moreno@plutonic.ca](mailto:elisha.moreno@plutonic.ca)

Sincerely,

**PLUTONIC POWER CORPORATION**



Donald McInnes  
President

cc: Hon. Pat Bell, Minister of Agriculture and Lands  
Hon. Barry Penner, Minister of Environment  
Hon. Michael de Jong, Minister of Aboriginal Relations and Reconciliation  
Chief Councillor Ken Brown, Klahoose First Nation  
Chief Walter Paul, Sliammon First Nation  
Sechelt First Nation Representative  
Mayor Stewart Alsgard, City of Powell River  
Bob Elton, President and CEO BC Hydro  
Jane Peverett, President and CEO BC Transmission Corporation

# Plutonic POWER CORPORATION



## Draft Itinerary Toba Montrose Project Groundbreaking – Head of Toba Inlet September 14 or 15, 2007

### Sequence of pre-groundbreaking events:

- 8:00 am – Flight from Vancouver, arrive Powell River 8:30am
- 8:45 am – Transfer to helicopter/float plane for trip up to Toba Inlet, arrive 9:30am
- 10:00 am – Groundbreaking event to begin

### Groundbreaking event:

- 10:00 am – Welcome by Donald McInnes – President, Plutonic Power
- 10:03 am – Prayer by Sliammon and Klahoose First Nation elders
- 10:07 am – Introduction of Minister(s), Ministers speak
- 10:13 am – Introduction of GE representative, GE rep speaks
- 10:15 am – Introduction of Ken Brown, Klahoose First Nation Chief – Ken speaks
- 10:17 am – Introduction of Walter Paul, Sliammon First Nation Chief – Walter speaks
- 10:20 am – Introduction of Representative, Sechelt First Nation Representative speaks
- 10:23 am – Donald speaks and wraps up formal presentation
- 10:28 am – Donald invites group to cross first bridge as symbol of groundbreaking/unveil sign at head of Toba/shovels in ground (photo op to be determined)
- 10:33 am – Photos and interviews with media

### Post groundbreaking:

- 11:00 am – Return to Powell River via helicopter/float plane
- 12:20 pm – Flight from Powell River, arrive Vancouver 12:50 pm



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## FACSIMILE TRANSMITTAL SHEET

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DATE: August 10, 2007  
TO: Minister de Jong  
COMPANY: Ministry of Aboriginal Relations and Reconciliation  
FAX NUMBER: (250) 953-4856  
FROM: Donald McInnes  
RE: Invitation to Plutonic Power Groundbreaking Ceremony  
# OF PAGES INCLUDING COVER: 5

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ORIGINALS WILL BE: ☐ FAXED ONLY ☒ MAILED ☐ SENT BY COURIER

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NOTES/COMMENTS:

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Suite 600 - 888 Dunsmuir St., Vancouver, B.C. V6C 3K4 Tel: 604-669-4999 Fax: 604-682-3727 Toll Free: 877-669-4999



ESCU-Corr Unit

CLIFF Tracking

Fri, May 04, 2007 4:55 PM

**Action:** **Attention and File** **Due:****Log ID:** **19189**

Gordon CAMPBELL  
Premier  
BC Government  
Parliament Buildings  
Victoria BC ?

**Type:** First Nation  
**Office:** MO-Minister  
**Entry By:** chodges  
**Sign By:**  
**Batch:**

**Written:** 2007/05/01  
**Received:** 2007/05/02  
**CU rec'd:** 2007/05/04  
**date signed:**  
**Closed:** 2007/05/04

**Phone:****Fax:****Email:****File No:**

**Subject:** Regarding the Klahoose FN's proposed hydro electric project in the Toba River Valley area. Premier Campbell writes to Chief Brown to advise that Min. Neufeld will be responding with a letter addressing the above project.

**Info/Copied to:** George M, Bryan W, Val C, Stephen C.

**pc'd on incoming::** Min. Neufeld and Min de Jong

**Addressed To:** Chief Ken Brown, Klahoose FN **Issue:**

**Drafter:** None

**MLA:**

**First Nation:** Klahoose First Nation

**Electoral District:****Referrals**

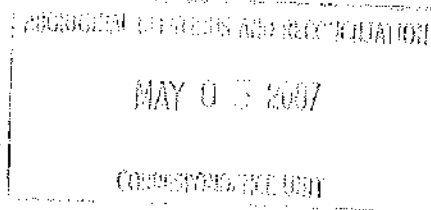
<b>From:</b> MO-Minister	<b>Action:</b> Attention and file	<b>Sent:</b> 2007/05/02	<b>Due:</b>
<b>To:</b> MO-MA	<b>Status:</b> Completed	<b>State:</b> Received:	<b>Completed:</b> 2007/05/03
<b>MO-Minister Notes:</b> 2007/05/02 chodges (MO-Minister) with Frank 2007/05/03 chodges (MO-Minister) sent to Ministry CU			
<b>From:</b> MO-MA	<b>Action:</b> Attention and file	<b>Sent:</b> 2007/05/03	<b>Due:</b>
<b>To:</b> ESCU-Corr Unit	<b>Status:</b> Completed	<b>State:</b> Received:	<b>Completed:</b> 2007/05/04
<b>MO-MA Notes:</b> 2007/05/03 chodges (MO-Minister) sent to Ministry CU			
<b>From:</b> ESCU-Corr Unit	<b>Action:</b> Attention and file	<b>Sent:</b> 2007/05/04	<b>Due:</b>
<b>To:</b> CR-Central Records	<b>Status:</b> Completed	<b>State:</b> Received:	<b>Completed:</b> 2007/05/04

ORIGINAL

19189

May 1, 2007

Chief Ken Brown  
Klahoose First Nation  
Box 9  
Squirrel Cove, BC  
V0P 1K0



Dear Chief Brown:

Thank you for your letter of April 23<sup>rd</sup> addressed to both Minister Neufeld and me.

I appreciate receiving your comments and have asked that since they relate specifically to the responsibilities of the Minister of Energy, Mines and Petroleum Resources, I have asked that Minister Neufeld respond to you directly with regard to your proposed hydro electric project in the Toba River Valley area. I have also asked the Minister to keep in touch with Minister de Jong about this matter as well.

I hope you will find this helpful.

Sincerely,

  
Gordon Campbell  
Premier

pc: Hon. Richard Neufeld  
Hon. Michael de Jong

Pages 26 through 27 redacted for the following reasons:

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s. 16



**Klahoose First Nation Treaty Office**

Box 9, Squirrel Cove, B.C., V0P 1T0

Ph: (250) 935-6887 Fax: (250) 935-6324

E-mail: [kathyfrancis@klahoose.org](mailto:kathyfrancis@klahoose.org)

---

## **Fax Transmission**

---

**Date: April 24, 2007**

**To: Premier Gordon Campbell**

**Fax: (250) 387-0087**

**c.c. Minister Neufeld – Energy and Mines**

**Fax: (250) 356-2965**

**c.c. Minister de Jong – Aboriginal Relations/Reconciliation**

**Fax: (250) 953-4856**

**c.c. Donald McInnes, Plutonic Power**

**Fax: (604) 682-3727**

**c.c. Brenda Gaertner, Mandell Pinder**

**Fax: (604) 681 0959**

**From: Kathy Francis, Councilor**

**Total # of Pages: 3**

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63900-80/Klam/PP21

ABORIGINAL RELATIONS AND RECONCILIATION	CORP 30:
FEB 14 2006	MARGO ELEWOMISI
CORPORATE SERVICES	

Telephone: 250-387-1624  
Facsimile: 250-387-2208

File: 30050-40/Toba-05-01

Reference: 96250

February 9, 2006

Chief Duane Hanson and Kathy Francis, Project Coordinator  
Klahoose First Nation  
Box 23  
Cortes Island BC V0P 1K0

Dear Chief Duane Hanson and Kathy Francis:

Thank you for your letter dated January 3, 2006 regarding the environmental assessment (EA) for the East Toba River and Montrose Creek Hydroelectric Project (the "Project") in the Toba Valley. I have written to you on January 16, 2006 regarding the funding issue identified in your letter, and will here address the remaining issues. The numbers below refer to the numbers in your January 3, 2006 letter.

#### 1. The Montrose Project

s.16

In the absence of Plutonic Power requesting a change in the project under review, the Environmental Assessment Office (EAO) is obliged to review the Project as scoped in the section 11 Order.

We will continue to consult with all relevant First Nations concerning the proposed Project. The Klahoose participation in this consultation process is essential in order to help the governments understand how the Klahoose First Nation have and do use the area around the proposed Project and how the Project may impact those uses. Through this consultation process the EAO and the proponent can work with the Klahoose to develop potential accommodations for impacts which could result from this proposed project.

Pursuant to the Environmental Assessment Act, the Ministers will then consider whether or not this project will receive an Environmental Assessment Certificate. The Ministers will consider the impacts of this project on the asserted rights of the Klahoose and other First Nations and the accommodation of such rights by the project. As a part of the consultation process the report containing the summary of First Nations consultation will be made available to the Klahoose, Sliammon and Sechelt First Nations for their review and input prior to submission to Ministers.

.../2

The New Relationship is looking to develop changes in the current arrangements for a variety of issues, and is considering such matters as:

- Earlier involvement of First Nations in land use planning decisions;
- Higher level coordination and discussion with First Nations rather than consultation on an issue by issue, project by project basis;
- Clearer roles for First Nations involvement in land use decision making; and,
- A mutually acceptable arrangement for sharing benefits and for dispute resolution.

In keeping with these considerations the EAO has been ensuring that First Nations are advised about new projects as soon as we become aware of their existence. The EAO invites First Nations to sit with all Working Groups and Technical Working Groups to ensure they have all the same information other governments receive while participating in the process, and to ensure they have input to the information package developed for Ministers. In the absence of the detailed outcome of the New Relationship negotiations and possible legislative changes, the EAO is interested in actualizing the above direction as creatively as possible within the EA process.

I suggest that representatives of the Klahoose First Nation and the Environmental Assessment Office establish a working group to:

- provide the Klahoose First Nation with an opportunity to clearly articulate their claimed aboriginal rights and title within the area of the proposed Project;
- help the governments understand how the Klahoose First Nation have and do use the area around the proposed Project and how the Project may impact those uses;
- identify potential data and information that might be required to assess the potential effects of the proposed Project on the Klahoose First Nation claimed aboriginal rights and title; and,
- assist the Klahoose First Nation to identify the issues to be presented to the Ministers in the Assessment Report.

The expenses to participate in the working group are reasonable charges against the offered funding from the EAO provided to you previously in writing. This agreement has not yet been finalized. Please let me know how I can assist in the finalizing of the funding arrangements.

You have mentioned the current treaty negotiations between the Klahoose, Canada and British Columbia, as well as Klahoose's comprehensive Land and Water Proposal (the "Paper") submitted to Canada and British Columbia in 1997. I understand Montrose Creek and the East Toba River were not specifically identified in the paper.

s.16

s.16

.../4

## 5. Funding

I refer here to my January 16, 2006 letter which addressed your concerns regarding the format of the funding proposal, and will not repeat the content here.

## 6. Project Benefits, including Revenue Sharing

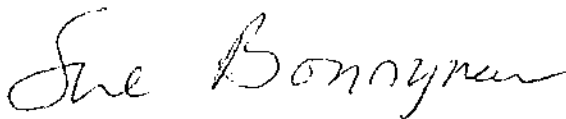
As I stated above,

s.16

I have been copied on recent correspondence from Plutonic Power where they have set out in writing some of the ideas they have been suggesting in discussions with you, as well as their offer to hold a Klahoose Workshop. I am confident that Plutonic Power wishes to develop a proposal that would be mutually beneficial. Government does not have a specific role in these negotiations; however, we are available to play a facilitation role if you believe this would of assistance. The EAO is also willing to participate in a workshop to address any questions regarding the EA process.

If you have any other questions or concerns regarding the review please feel free to contact me at (250) 387-1624 or Roger Tailleir, Project Assessment Officer, at (250) 387-1841.

Yours truly,



Sue Bonnyman  
Project Assessment Manager  
Environmental Assessment Office

pc. Carol James, Leader Official Opposition  
Claire Trevena, MLA North Island  
Scott Fraser, MLA, Aboriginal Relations and Reconciliation Critic  
Corky Evans, MLA, Energy and Mines Critic  
Shane Simpson, MLA, Environment Critic  
Donald McInnes, Plutonic Power Corporation  
Dave Carter, Canadian Environmental Assessment Agency Coordinator  
Margo Elewonibi, Senior Treaty Negotiator, BC  
Jim Doswell, Chief Treaty Negotiator, Canada  
Chief Walter Paul, Sliammon First Nation  
Chief Stan Dixon, Sechelt First Nation  
Chief Darren Blaney, Homalco First Nation  
BC Hydro  
Roger Tailleir, Environmental Assessment Office

# Plutonic POWER CORPORATION



December 21, 2007

Honourable Richard Neufeld  
Minister of Energy, Mines and Petroleum Resources  
PO Box 9060, STN PROV GOVT  
Victoria BC  
V8W9E2  
CANADA

Aboriginal Relations  
and Reconciliation

JAN 10 2008

Correspondence Unit

Dear Minister Neufeld:

The renewable energy sector has seen tremendous growth in recent years due to provincial government's Energy Plan and the growing cooperation between BC Hydro, BCTC, regulators, Government, First Nations and industry. An example of this success is Plutonic Power Corporation's flagship 196 MW East Toba and Montrose Creek run of river project. This \$660 million project is currently under construction in the Toba Inlet area, located approximately 150 km north of Powell River. Construction activities are on schedule and the project is slated to begin commercial operation in 2010.

This first project is only the beginning. Plutonic's ambitious plans include the development of a further 25 run of river projects located in the headwaters of Toba Inlet, Bute Inlet and Knight Inlet – the Green Power Corridor. This portfolio of projects represents \$3 to \$4 billion of development and construction capital and hundreds of possible new jobs that could take place over the next decade. A key milestone in the development of these projects will be the award and signing of long term energy sales contracts with BC Hydro. As you are all aware, the draft terms for the BC Hydro Clean Power Call have been released. Plutonic Power intends on submitting up to 1000 MW of projects, representing the generation of over 3000 GW.h of green energy, enough energy to meet the needs of over 300,000 homes and offsetting over 3,000,000 tonnes of CO2 emissions.

Plutonic Power management felt it important to articulate in this letter the broad industry issues surrounding the BC Hydro procurement process in addition to our specific comments about Clean Power Call, which will be submitted in a separate letter.



Issues for discussion fall into three general topics: 1) transmission and BCTC, 2) Government and regulatory (BC Energy Plan and the BCUC) and, 3) the public optics of the call (The public perception and anti-IPP-detractors).

### **Transmission and BCTC**

There needs to be a more coordinated time sensitive iterative approach to planning between BC Hydro's long term acquisition strategy, BCTC's long term expansion policy and the plans of developers of both large IPP projects and IPP clusters who require significant transmission infrastructure and certainty in the Call process and timing. Improved planning and acquisition processes will lead to a more efficient development of resources. Without this more detailed planning, there is the potential for multiple transmission corridors serving multiple generators, thus increasing costs and having potentially negative consequences to the forestry industry and creating a problem with cumulative impacts. We look forward to BCTC's contribution to improving this situation in their forthcoming report on transmission infrastructure requirements.

Based on activities to date, a realistic inventory of the handful of large permit-able and finance-able independent power projects in the province should now be made. Closer dialogue between these project proponents, BC Hydro and BCTC will allow these projects to be built in a methodical and efficient manner. While some preliminary efforts are underway in this area, they need to be accelerated and advanced in a transparent and meaningful way.

For example, Plutonic Power currently has a run of river project portfolio of over 1500 MW in the Toba, Bute and Knight Inlet areas. Careful planning and coordination with BCTC and BC Hydro in regards to long term acquisition of this power would allow for the development of a substantial, diverse set of electricity generation resources, and a northern transmission corridor from Bridge River to Vancouver Island via Johnstone Strait, with an interconnecting line from Toba Inlet to Malispina substation.

### **Government and Regulatory**

Through recent BCUC decisions, it appears that BCUC has not fully embraced the objectives of government's Energy Plan, the New Relationship or the Climate Change Policies. The BCUC primary objective is to ensure "that customers receive safe, reliable and non-discriminatory energy services at fair rates from the utilities it regulates." Clearly, the issue of fair rates depends upon what rates are compared. While the Energy Plan makes considerable, positive policy initiatives to support clean, renewable power, it seems that BCUC insists on comparing prices of newly built renewable energy to the costs of buying power from the spot market (Mid-C). However, the spot market is priced on the margin by gas fired plants and is therefore not renewable. This line of thinking is counter to the 2007 Energy Plan. If the government intends to return the province to self sufficiency before 2016 by building zero net GHG projects, then BC Hydro must be prepared to pay market prices for renewable energy and not compare with Mid-C prices.

Mid-C does not reflect the true costs of new clean generation, nor does it consider the costs that are required for transmission of renewable energy to load centres.

Further, the development of Projects that meet the Energy Plan objectives do in numerous cases achieve a much broader range of goals than those purely of price. The mandate of the BCUC must be changed to consider other factors achieved by the energy procurement processes of BC Hydro and as adjudicated by the BCUC.

Costs of new clean energy must be compared with similar new renewable generation in other jurisdictions. Comparisons must also be made on the most realistic price factors. Bid prices and levelized prices do not accurately reflect the realized invoiced price that BC Hydro ends up paying IPPs once new projects are operating.

### **Public Optics**

The current pricing structure of the Clean Power Call will tend to drive up prices of tendered bid prices over and above the F2006 CFT, in order to achieve the same realized revenue. Bid prices, rather than actual realized prices, are what BCUC focuses their analysis on, and these are the prices that receive the attention of media, the public and the anti-IPP contingent. Realized 'invoiced' prices is the actual amount that BC Hydro pays developers. This number tends to be lower than bid prices or levelized prices in most cases. The Clean Power Call pricing structure can be designed to better reflect the realized prices rather than an arbitrary/theoretical bid price or levelized price.

Additionally, integrating the mandatory tendering of 'environmental attributes' into the bid price will also increase the published price of energy. This fact, however, will not be recognized by the public. They will not be able to differentiate between the price paid for the energy and the price paid for the 'environmental attributes'. An optional tendering process with separate pricing for environmental attributes is more practical and will allow for realistic price comparisons.

Other terms in the Clean Power Call such as termination acquisition rights, liquidated damages and the performance security will also tend to push up bid price and therefore weaken the optics of the call. Termination rights add an element of risk for financiers as well as reduces the terminal value (end of contract value) of the project for equity owners. Liquidated damages also increase project risk and are an unnecessary element in the terms as developers of renewable projects are already incentivized to sell everything that they produce. And the persistent and escalating performance security adds an unnecessary cost which is ultimately reflected in bid prices.

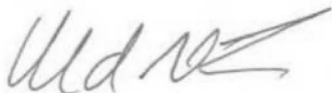
Plutonic has advocated for some time that industry, BC Hydro and government should appropriately collaborate to develop a consistent message to stakeholders, public and the anti-IPP groups regarding the realities of renewable energy, the costs for new generation and the price for self sufficiency. We will continue to work with all groups to move toward this goal.

Page 4

These three topics focus on the main issues as they pertain to the current Clean Power Call as well as the future acquisition and planning process for the industry. Plutonic Power management believes the 2007 Energy Plan provides the right policy direction to build a truly sustainable portfolio of renewable energy projects. We look forward to continued discussion to ensure the effective implementation of this plan with the objective to improve the energy industry to the benefit of the citizens of British Columbia.

Best regards,

**PLUTONIC POWER CORPORATION**



Donald McInnes  
Vice-Chair and CEO

Cc:

Honourable Michael de Jong  
Honourable Pat Bell  
Honourable Barry Penner  
Honourable Colin Hansen  
Deputy Minister Lorne Brownsey  
Deputy Minister Greg Reimer  
Deputy Minister Joan Hesketh  
Deputy Minister Don Fast  
Associate Deputy Minister Mike Lambert

## Manz, Sharon ABR:EX

---

**From:** Nakken, Peter ABR:EX  
**Sent:** Friday, January 27, 2006 8:51 AM  
**To:** Wallis, Bryan TNO:EX (Bryan.Wallis@gov.bc.ca); Fern, Dave ABR:EX (David.Fern@gov.bc.ca); Manz, Sharon TNO:EX (sharon.manz@gov.bc.ca); Margo Elewonibi (Margo.Elewonibi@gov.bc.ca); Valerie Cieslak (Valerie.Cieslak@gov.bc.ca)  
**Cc:** Bonnyman, Sue EAO:EX  
**Subject:** Klahoose Media Article (FILE: 63000-012/KLAH1/MEDI1)

630400-20/KLAH1/PP1

**It's not easy building green power**

**Globe and Mail, S01, 27-Jan-2006**

**By Mark Hume**

Copyright

*Peter Nakken*

Ministry of Aboriginal Relations & Reconciliation

Ph: (250) 387-5237 Fax: (250) 387-0887 Cell: (250) 888-1592

Page 38 redacted for the following reason:

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s.22

s.22

Attention News/Business/Environment Editors:

Klahoose opposes Plutonic Power project in "paradise"  
Copyright CORTES ISLAND BC Jan 25 /CMB/ - Copyright

Page 28

Withheld pursuant to/removed as

Copyright



**Manz, Sharon ABR:EX**

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**From:** Nakken, Peter ABR:EX  
**Sent:** Friday, January 27, 2006 10:22 AM  
**To:** Wallis, Bryan TNO:EX (Bryan.Wallis@gov.bc.ca); Fern, Dave ABR:EX (David.Fern@gov.bc.ca); Manz, Sharon TNO:EX (sharon.manz@gov.bc.ca); Margo Elewonibi (Margo.Elewonibi@gov.bc.ca); Valerie Cieslak (Valerie.Cieslak@gov.bc.ca)  
**Subject:** FW: The Plutonic Power Project (FILE: 63400-80/KLAH1/ENV1)

PPCA

For information & filing.

I had a short meeting with Sue Bonnyman from EAO this morning. She says she is hearing from a number of Klahoose members & Cortes Island residents that most of the opposition is coming only from

s.22

Sue & I

are going to keep each other up to date on any new information that comes our way.

s.16

Peter Nakken  
Ministry of Aboriginal Relations & Reconciliation  
Ph: (250) 387-5237 Fax: (250) 387-0887 Cell: (250) 888-1592

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

**From:** Bonnyman, Sue EAO:EX  
**Sent:** Friday, January 27, 2006 9:23 AM  
**To:** Nakken, Peter ABR:EX  
**Subject:** Fw: The Plutonic Power Project

-----  
Sent from my BlackBerry Wireless Handheld

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

s.22

**To:** Bonnyman, Sue EAO:EX <Sue.Bonnyman@gov.bc.ca>

s.22

**Sent:** Thu Jan 26 17:38:02 2006  
**Subject:** The Plutonic Power Project

Hello Sue,

s.22

Klahoose opposes Plutonic Power project in "paradise"

CORTES ISLAND, BC, Jan. 25 /CNW/ - Copyright

Copyright

For further information: Chief Duane Hanson,  
Francis, Project Manager for Klahoose,

s.22

Kathy

s.22

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ARR-2011-00075  
Page 43 of 110

31 of 97

**Manz, Sharon ABR:EX**

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**From:** Nakken, Peter ABR:EX  
**Sent:** Friday, January 20, 2006 11:27 AM  
**To:** Bonnyman, Sue EAO:EX; Porter, Michelle L EAO:EX  
**Cc:** Wallis, Bryan ABR:EX; Fern, Dave ABR:EX; Manz, Sharon ABR:EX; Elewonibi, Margo ABR:EX; Cieslak, Valerie ABR:EX  
**Subject:** RE: Klahoose Tripartite Meeting - Jan 19/06 (FILE: 63400-80/KLAH1/ENV1) PPA

No problem Sue.  
rest of the week.

s.16

but pretty open the

Peter Nakken  
Ministry of Aboriginal Relations & Reconciliation  
Ph: (250) 387-5237 Fax: (250) 387-0887 Cell: (250) 888-1592

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

**From:** Bonnyman, Sue EAO:EX  
**Sent:** Friday, January 20, 2006 11:25 AM  
**To:** Nakken, Peter ABR:EX; Porter, Michelle L EAO:EX  
**Cc:** Wallis, Bryan ABR:EX; Fern, Dave ABR:EX; Manz, Sharon ABR:EX; Elewonibi, Margo ABR:EX; Cieslak, Valerie ABR:EX  
**Subject:** Re: Klahoose Tripartite Meeting - Jan 19/06 (FILE: 63400-80/KLAH1/ENV1)

Thanks very much for this feedback Peter, I will call you next week to schedule a meeting to discuss this issue.  
looking for some good language on to capture the current management in the province. This has been a most difficult consultation.

s.16

I am

Sue Bonnyman

-----  
Sent from my BlackBerry Wireless Handheld

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

**From:** Nakken, Peter ABR:EX <Peter.Nakken@gov.bc.ca>  
**To:** Bonnyman, Sue EAO:EX <Sue.Bonnyman@gov.bc.ca>; Porter, Michelle L EAO:EX <Michelle.Porter@gov.bc.ca>  
**CC:** Wallis, Bryan ABR:EX <Bryan.Wallis@gov.bc.ca>; Fern, Dave ABR:EX <David.Fern@gov.bc.ca>; Manz, Sharon ABR:EX <sharon.manz@gov.bc.ca>; Elewonibi, Margo ABR:EX <Margo.Elewonibi@gov.bc.ca>; Cieslak, Valerie ABR:EX <Valerie.Cieslak@gov.bc.ca>  
**Sent:** Fri Jan 20 10:42:55 2006  
**Subject:** Klahoose Tripartite Meeting - Jan 19/06 (FILE: 63400-80/KLAH1/ENV1)

Sue/Michelle:

s.16

<<Plutonic Power Article-VanSun-Jan19-2006.pdf>>

Peter Nakken

Ministry of Aboriginal Relations & Reconciliation

Ph: (250) 387-5237 Fax: (250) 387-0887 Cell: (250) 888-1592



Klahoose First Nation Treaty Office

Box 9, Squirrel Cove, B.C., V0P 1K0

Ph: (250) 935-6536 Fax: (250) 935-6823

E-mail: toqrd@telus.net

63400-80/KLAH1/PPC1

DEC 06 2005

63400-80/HOMAL/PPC1

63400-80/SIAM/PPC1

63400-80/SECH/PPC1

63400-80/HAMAT/PPC1

## Fax Transmission

**To: Dave Carter, CEEA Coordinator**  
**Margo Elewonibi, Senior Treaty Negotiator, B.C.**  
**Jim Doswell, Chief Negotiator, Canada**  
**Chief Darren Blaney, Homalco First Nation**  
**Chief Walter Paul, Sliammon First Nation**  
**Chief Stan Dixon, Sechelt First Nation**  
**Dan Smith, Hamatla Treaty Society**  
**B.C. Hydro**

COPIED TO:	
Margo E.	
Peter N.	
Bryan W.	
Dave F.	
Jal C.	

**Re: Plutonic Power Project**

**From: Kathy Francis, Treaty Negotiator**

**Date: December 5, 2005**

**Total # of Pages: 3**

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Pages 47 through 48 redacted for the following reasons:

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s.16



September 2, 2004

Joan Hesketh,  
Executive Director  
B.C. Environmental Assessment Office  
2<sup>nd</sup> Floor, 836 Yates Street  
Victoria, B.C.  
V8V 1X4

30050-40/FCEA-15

ePIC #	DM
RECEIVED	DSPP
	WCS
	WCE
	WCA
Log #	WFO
Environment	ePIC
Assessment Office	Other
SEP 7 2004	

Dear Joan Hesketh,

**Re: BCEA Project Description for the East Toba River and Montrose Creek Hydroelectric Projects.**

Plutonic Power Corporation (Plutonic) is pleased to submit a project description in order to initiate the BCEA Process with your office. The following project description has been put together based on the guidelines forwarded to our office by Sue Bonnyman on August 20, 2004.

**1. PROPONENT INFORMATION**

**Name:** Plutonic Power Corporation

**Address:** 900 - 808 West Hastings Street

Vancouver, B.C., V6C 2X4, Canada

**Phone:** (604) 669-4999

**Fax:** (604) 682-3727

**Email:** donald@plutonic.ca

**Name of Representative Managing the Project:**

Company representative: Donald McInnes, President

Lead technical consultant: Sam Moltram, P.Eng, Knight Piesold Ltd. (604) 685-0543  
([smoltram@knightpiesold.com](mailto:smoltram@knightpiesold.com))

**Company Incorporation and Structure:**



Plutonic Power Corporation through its wholly owned subsidiary 648795 BC Ltd. (name change is in process to become Plutonic Hydro Inc.)

**Stock Exchange Listing:**

PCC - TSX Venture Exchange

**Company Website:**

[www.plutonic.ca](http://www.plutonic.ca)

## **2. GENERAL BACKGROUND INFORMATION**

The demand for energy in British Columbia is increasing beyond what we can produce and our province now supplies up to 10% of its demand with energy from Alberta and the U.S that is produced primarily from fossil fuels. With the signing of the Kyoto Accord we, as Canadians, will be seeking an alternative to this energy source through "Green" renewable energy sources.

"Green Power" is the term chosen to describe energy that is produced with very little or no adverse impacts on the environment. The layout of the East Toba River and Montrose Creek Projects are such as to minimize their impacts on the streams and surrounding environment. They will also be constructed as Run-of-River facilities that will leave a very small footprint on the land. In addition the transmission lines will be routed so as to take advantage of existing logging roads.

The proposed East Toba River and Montrose Creek Hydroelectric Projects will generate "Green Power" from two run-of-river hydroelectric generation facilities. The total installed capacity of these two facilities will be approximately 170MW. This produced energy will then be conveyed via a new 230kV transmission line to the BCTC grid near Powell River, B.C. Please see Figure 1 for a conceptual plan of the entire project.

## **3. PROJECT OVERVIEW**

### **3.1 GENERAL**

The East Toba River and Montrose Creek Projects are comprised of the following 3 major components:

- A 230KV Transmission line extending from Salfrey Bay near Powell River, B.C. north to the Montrose Creek and East Toba River Hydroelectric Projects (HEP's). Please see Figures 3-1 to 3-9 for transmission line details.
- East Toba River 119 MW Hydroelectric Project. See Table 1 for a summary of this project.
- Montrose Creek 50 MW Hydroelectric Project. See Table 2 for a summary of this project.

As mentioned in the previous section, each Hydroelectric Project will be run-of-river which will alleviate the need for a dam and reservoir, however each facility will require a rubber weir, or similar, and a head-pond at the intake. The water will be conveyed to the powerhouse via low-pressure HDPE pipe and high-pressure steel penstock or tunnels. Pelton turbines, rated to suit each individual facility, will be used to generate power. Detailed project descriptions for each of the hydroelectric projects are presented in the following sections.

### **3.2 EAST TOBA RIVER (ETR) HYDROELECTRIC PROJECT**

#### **3.2.1 PROJECT DESCRIPTION SUMMARY**

The proposed East Toba River Hydroelectric Project is a 119 MW run-of-river "Green Power" generation project in the East Toba River drainage basin, located to the northeast of Toba Inlet, approximately 33 km northeast of the inlet's northern most extent in the coastal region of southern British Columbia. The proposed project will divert flows from a high elevation intake on the East Toba River into a water conveyance system comprised of a low-pressure conduit and penstock, which leads to a surface powerhouse in the lower reach of the river. See Figure 4 for a project general arrangement.

#### **3.2.2 SITE CHARACTERISTICS**

##### **GENERAL**

The proposed East Toba River hydroelectric development is located northeast of Toba Inlet, approximately 33 km northeast of the inlet's northernmost extent in British Columbia, Canada.

The East Toba River has its headwaters in the mountains of the Elaho Range (Pacific Ranges), and flows from a maximum elevation of approximately 3000 m in the upper headwaters to discharge into the Toba River at an elevation of approximately 100 m. The proposed development, with its intake located at an elevation of approximately 670 m, drains an area of approximately 188 km<sup>2</sup>.

Access to the mouth of Toba River will be by boat and barge. Existing Forest Service Roads (FSR) will provide access to site. Where necessary the existing FSR will be upgraded. The road will be constructed to BC Forest Practices Code, and will follow the proposed penstock alignment. During construction additional temporary access roads may be required.

The characteristics of the East Toba River watershed are typical for a valley situated in a mountain range that was formed by glaciers and subsequent river action. The following sections describe these characteristics, particularly as related to the intake site, low-pressure conduit, buried penstock and powerhouse site for the proposed project. Where appropriate, conclusions and recommendations are provided to assist with the planning and design of the project.

##### **GEOLOGY AND SEISMICITY**

###### Regional Geology

The East Toba River Hydroelectric Project lies within the Pacific Range of the British Columbia Coast Mountains. The Pacific Range, consisting mainly of granitic rocks, extends north from the Fraser River for about 500 km to the Bella Coola River. This range contains the highest peaks in the Coast Mountains, many of which are over 3000 m high.

The land in the region was heavily loaded with glaciers during the Pleistocene and many areas adjacent to the coast were submerged below sea level. The high peaks have matterhorns (arrets) and well-developed cirques, while peaks and ridges below about elevation 2000 m are rounded and subdued by the effects of ice-sheet movement. Valley walls were steepened by ice sheet movement, which typically resulted in U-shaped slope profiles. The oversteepened slopes following glaciation have resulted in numerous types of earth movements such as rock slides, rock falls, debris slides, debris flows and channelized debris flows.

### Bedrock Geology

The upper drainage bedrock geology comprises Metamorphic Rock (protolith metamorphosed to amphibolite facies) and Upper Triassic Karmutsen, while the lower drainage bedrock geology is comprised predominantly of Mid-Cretaceous Rock (variably foliated hornblende quartz diorite and tonalite).

### Surficial Geology

Surficial geology in the project site consists of recent river alluvium, colluvium and minor glaciofluvial and till deposits.

Glaciofluvial and till deposits in the project area form a mantle of variable thickness which overlies bedrock. Generally these deposits are dense, less than 3 metres thick and consist of angular to sub-rounded sand and gravel with some silt and cobbles.

### Seismicity

The East Toba River project is situated in the Coast Mountains. Historically, the level of seismic activity in the Coast Mountains region is low. However, there is the potential for large earthquakes within the region of southwestern BC. The region can be affected by both crustal earthquakes in the continental North American Plate, and by great subduction earthquakes that are generated by Juan de Fuca Plate subducting under the continental plate.

There has been much study in recent years concerning the potential for a great interplate earthquake of magnitude 8 to 9 along the Cascadia subduction zone, which is located west of Vancouver Island and extending as far south as Northern California. Geological evidence indicates that these great Cascadia subduction earthquakes occur, on average, approximately every 500 years, but this interval varies from about 300 to 800 years. The last great Cascadia earthquake occurred about 300 years ago, in 1700. Such an event would likely be located over 200 km west of the project site, and therefore the amplitude of ground motions experienced at the site would be moderate due to attenuation over such a large distance. However, the damage potential from such an event can be high, due to the very long duration of ground motion associated with a large magnitude earthquake.

Large crustal earthquakes of magnitude 6.9 and 7.3 have occurred within central Vancouver Island in 1918 and 1946 respectively. The closest of these events was the magnitude 7.3 earthquake, located approximately 120 km southwest of the project site. To the south lies the Northern Cascades seismic region where a large crustal earthquake with an estimated magnitude of 7.0 to 7.5 occurred in Washington State in 1872.

A detailed assessment of the potential for seismic activity along local fault systems will be carried-out for future design studies.

### Construction Materials

Crushed rock from construction activity excavations, and alluvium and glacial deposits will be used during construction as fill and road surfacing materials. Sufficient quantities of sand and gravels appropriate for concrete aggregates may be found in the project area. Additional mapping, sampling and laboratory testing of potential aggregate sources is planned to confirm the location, extent and suitability of aggregate sources.

### Natural Hazards

Natural hazards in the project area consist of rockfalls and channelized debris flows. The rockfalls initiate on the upper and mid slopes and generally terminate well upslope from the proposed low-pressure conduit and penstock routes and powerhouse site. The channelized debris flows initiate on the upper slopes at the headwalls and sidewalls of gullies or slope depressions and generally terminates in or near the creek at the base of the valley.

### HYDROLOGY

For the purpose of assessing the electricity generating potential of a run-of-river hydroelectric development in the East Toba River watershed, it was necessary to develop estimates of the mean annual discharge (MAD) and flow distribution (capacity factor) for the East Toba River at the proposed project intake location. Ideally, these values would be derived from data resulting from years of continuous flow monitoring on the East Toba River, but, as is commonly the case, historical flow records are not available for the East Toba River. However, data, though sparse, is available for a number of Water Survey of Canada (WSC) stations that have been established in the general project region. This information, together with climate data collected by the Atmospheric Environment Services (AES) branch of Environment Canada, provides the basis for estimating flow values for the East Toba River. Figure 5, which presents the locations of the most relevant WSC and AES stations, demonstrates the lack of relevant data in the immediate project area. Table 3 presents a summary of the flows and basin characteristics of the WSC stations, whereas Table 4 shows precipitation values for the AES stations. These values indicate considerable spatial variation, which is not unusual for a coastal mountainous region. This variation demonstrates the localized nature of the climatic and hydrologic conditions, which, when combined with the temporal and spatial scarcity of data coverage, presents a significant challenge for estimating hydrologic values. As a result, considerable uncertainty is associated with all estimated values.

Given the noted uncertainty, it was decided that the most appropriate approach would be to present the estimated MAD for East Toba River project as a range of values, rather than a single value. As such, the MAD for the East Toba River project was estimated to range between  $15.96 \text{ m}^3/\text{s}$  and  $18.97 \text{ m}^3/\text{s}$ , corresponding to unit area MAD values of  $85 \text{ l/s/km}^2$  and  $101 \text{ l/s/km}^2$ . These unit runoff values, which are comprised of rainfall runoff and glacier runoff components, fall towards the upper end of the range of the regional values, which is consistent with the East Toba River's position in a highly glaciated area with significant exposure to coastal weather systems. The rainfall component was estimated from regional rainfall data, orographic precipitation considerations and typical runoff coefficients, while the glacier component was estimated on the basis of results from previous UBC Watershed modelling of other BC watersheds, which indicated glacier runoff values of approximately  $80 \text{ l/s per km}^2$  of glacier. It should be noted that glacier runoff varies according to a number of factors, most notably aspect and corresponding sunlight exposure. However, when compared to variations in precipitation, it is relatively consistent, and therefore the  $80 \text{ l/s}$  value was adopted as representative of the region.

Over the course of the last 18 months stream flow gauges have been installed and monitored on East Toba River and adjacent watercourses in order to verify the above results. See Figure 6 for an up to date Hydrograph.

### SURFACE WATER QUALITY AND SEDIMENTATION

The East Toba River originates as streams draining steep, rugged terrain. Surface runoff from rain and snowmelt causes erosion throughout the catchment and heavy natural turbidity in the rivers can result.

The turbidity itself will not cause sedimentation of the headpond or diversion works, but the highly turbid flows are also likely to be carrying sand, which will be deposited in the headworks of the intake. Provisions have been made for settling and flushing any such deposits using scour gates and sediment traps. With proper settling, the water quality at the intakes should have little or no adverse implications for the long-term operations of the project turbomachinery. Flushing will be required, either continuously during periods of high inflows, or as a regular operational maintenance procedure.

## **GROUNDWATER**

Significant groundwater discharge areas or springs are not expected at the proposed powerhouse and intake locations, or along the access road/penstock right-of-ways. However, additional fieldwork is planned to confirm this statement. Small depressions have been observed at several locations in the watershed and likely function as groundwater recharge areas. None of these areas are directly affected by project facilities. From an environmental point of view, if significant groundwater discharge areas are encountered during project construction, they will be handled in terms of a water quality monitoring program, which will form part of an Environmental Management Plan (EMP) that will be submitted for review prior to project construction.

### **3.2.3 CAPACITY OF POWER PLANT AND WATER QUANTITY TO BE DIVERTED**

#### **INSTREAM FLOW REQUIREMENTS**

The Instream Flow Requirements (IFR's) in order to sustain the current ecosystem that exists in the project area will be determined through detailed fisheries and habitat studies in the next stage of the project development. At this early stage of the project development, a conservative approach has been taken in assigning the preliminary IFR's for the East Toba Hydroelectric Project and a value of 10% MAD (Mean Annual Discharge) was selected. The plant capacity and energy generation potential for the project presented in this report is based on this assumption for IFR's (i.e. 10% MAD year round).

Cascade obstructions and potential fish barriers are noted in the steep sections of the creek directly upstream of the proposed powerhouse site. Based on available information (BC Government Website "Fish-Wizard") no fish are present in the affected reach of the creek, except in the vicinity of the powerhouse site, where Salmon and other fish species make use of the creek at various times of the year. Additional studies are planned to investigate the presence/absence of fish in the affected reach. Most Salmon species are present in the Toba River downstream of the powerhouse site.

Migration flows in the range of 50% to 100% MAD may be required for a period of days to weeks based on preliminary standards prepared by the Province (Hatfield et al. 2002). Adequate flows may be provided by natural flows in excess of the design flow in many years.

#### **PLANT CAPACITY AND ENERGY GENERATION POTENTIAL**

With reference to Section 3.2.2-HYDROLOGY, the estimated long-term average annual unit area runoff for the East Toba River, at the proposed intake location, is in the order of 93 l/s/km<sup>2</sup>. This results in a mean annual discharge (MAD) of 17.5 m<sup>3</sup>/s. This value was used to determine the optimum installed capacity for the proposed project, in order to ensure that the proposed project makes the most beneficial use of the resource.

The estimated annual average generation potential of the proposed project, based on a capacity factor of about 40% and an installed capacity of 119 MW, is 418 GWh.

## MAXIMIZING THE POTENTIAL OF THE RESOURCE

Knight Piésold Ltd. (KP) has reviewed many potential development alternatives for the East Toba River system, the most favourable of which are presented in this report. KP believes that the project will fully develop the potential of this site based on the following criteria:

- Cost / Benefit ratio (Total Capital Cost / Average Annual Generation);
- Construction Risks;
- Environmental Impact;
- Permitting Risks;
- Schedule and Construction Risks;
- BC Hydro's Green Criteria Compliance.

We can therefore conclude that the preferred project configuration, as presented in this report, is maximizing the potential of the resource based on the current permitting and licensing environment and potential markets available, specifically the BC Hydro Green Power Generation Call for Tenders (2004/2005).

### 3.2.4 PRELIMINARY DESIGN CONCEPTS AND PROJECT COMPONENTS DESCRIPTION

#### ACCESS ROADS

There are existing access roads to the site from the Toba River mouth. Access to the Toba River mouth will be by water. An existing Forest Service Road (FSR) will provide construction and maintenance access and will be constructed along the proposed penstock alignment. About 3.5 km of this FSR will have to be upgraded. In addition to the permanent road, short sections of temporary road may be required to provide construction access. See Figures 9 & 13 for typical details.

All permanent roads will be constructed to BC Forest Practice Code.

The proposed new and upgraded access roads alignments are presented on Figure 4.

#### MAIN INTAKE

The main intake and diversion structure will be located at an elevation of approximately 670 m, which is 5 km upstream of the East Toba River's confluence with the Toba River. The structure will consist of the following:

- A low gated concrete weir with inflatable rubber weir, concrete retaining walls and earth embankments.
- An intake structure with sediment trap, screens, isolating gate and scour gate that will transfer a portion of the creeks flow to the penstock. Please see Figures 14-16 for a plan and sections of these works.

Basic design parameters for the intake are as follows:

- The intake spillway structure will be sized to pass the 1:200 year instantaneous peak flood event.
- Sediment and bedload transported by the creek will be passed directly over the deflated rubber weir. A scour gate will also be installed to allow the operator to flush the area directly in front of the intake screens.
- Floating debris (logs, etc) will be allowed to pass over the top of the concrete weir.

- The intake structure will be sized to transfer the design flow to the low-pressure conduit/penstock.
- Instream flow requirements will be handled through a scour outlet pipe.

#### LOW PRESSURE CONDUIT AND PENSTOCK

The low-pressure conduit will be a HDPE pipe, approximately 1000 m in length, running from the intake structure, roughly parallel to the contours, to a point immediately downslope of the intake. The penstock will be a steel pipe approximately 3800 m in length. The high-pressure penstock will run down the slope, from the low-pressure conduit outlet to the powerhouse. Concrete anchor blocks will be constructed at major bends and access manholes will be incorporated into a few of the anchor blocks to provide access for maintenance inspection.

At creek crossings the pipeline will be buried under the creek and encased in concrete, allowing the creek to flow uninterrupted over the top of the pipe. At road crossings the pipe will be reinforced to allow for traffic loading. Figures 8-12 offer typical plans and sections of the Pipeline alignment.

#### POWERHOUSE AND GENERATING EQUIPMENT

The powerhouse, which has been sited on a potentially non-salmon bearing reach of the river, will be constructed on a raised bench at an elevation of 125 m, approximately 60 m upstream of the East Toba River's confluence with the Toba River. The powerhouse will consist of the following:

- Reinforced concrete foundations and substructure.
- Reinforced concrete and steel framework superstructure with block walls and steel roof.
- Bypass/pressure reducing valve (PRV).
- Two turbine generator sets including:
  - 3 x 40 MW Pelton Units.
  - 3 x Direct Coupled Synchronous Generators at 13.8 kV.
- Switchyard with 13.8 kV to 230 kV step-up transformer
- Tailrace structure.

#### TRANSMISSION AND INTERCONNECTION

Please refer to Section 3.4 for the East Toba and Montrose HEP transmission details.

### 3.3 MONTROSE CREEK (MC) HYDROELECTRIC PROJECT (REF. NO. VA103-00056/4-3)

#### 3.3.1 PROJECT DESCRIPTION SUMMARY

The proposed Montrose Creek Hydroelectric Project is a 50 MW run-of-river "Green Power" generation project in the Montrose Creek drainage basin, located approximately 25 km northeast of Toba Inlet's northernmost extent, British Columbia. The proposed project will divert flows from a high elevation intake on Montrose Creek into a water conveyance system comprised of a low-pressure conduit and penstock, which leads to a surface powerhouse in the lower reach of the river. A project general arrangement is presented in Figure 17.

### 3.3.2 SITE CHARACTERISTICS

#### GENERAL

The proposed Montrose Creek hydroelectric development is located upstream of Montrose Creek's mouth, approximately 25 km northeast of Toba Inlet's northernmost extent, as shown on Figure 5, Lower Mainland, British Columbia, Canada.

Montrose Creek has its headwaters in Montrose Peak, Pacific Ranges, and flows from a maximum elevation of approximately 1100 m in the upper headwaters to discharge into Filer Creek at an elevation 50 m. The proposed development, with its intake located at an elevation of approximately 512 m, drains an area of approximately 99 km<sup>2</sup>.

Existing logging roads provide access from the Toba River mouth up to the confluence of the Filer River and Montrose Creek, the location of the proposed powerhouse. To provide construction and ongoing access to the site a new road will be required. It is proposed that this road be constructed along the proposed penstock alignment.

The characteristics of the Montrose Creek watershed are typical for a valley situated in a mountain range that was formed by glaciers and subsequent river action. The following sections describe these characteristics, particularly as related to the intake site, low-pressure conduit, buried penstock and powerhouse site for the proposed project. Where appropriate, conclusions and recommendations are provided to assist with the planning and design of the project.

#### GEOLOGY AND SEISMICITY

Please refer to Section 3.2.2-GEOLOGY AND SEISMICITY. The information provided for East Toba River is the same as that for Montrose Creek due to their close proximity.

#### HYDROLOGY

For the purpose of assessing the electricity generating potential of a run-of-river hydroelectric development in the Montrose Creek watershed, it was necessary to develop estimates of the mean annual discharge (MAD) and flow distribution (capacity factor) for Montrose Creek at the proposed project intake location. Ideally, these values would be derived from data resulting from years of continuous flow monitoring on Montrose Creek, but, as is commonly the case, historical flow records are not available for Montrose Creek. However, data, though sparse, is available for a number of Water Survey of Canada (WSC) stations that have been established in the general project region. This information, together with climate data collected by the Atmospheric Environment Services (AES) branch of Environment Canada, provides the basis for estimating flow values for Montrose Creek. Figure 5, which presents the locations of the most relevant WSC and AES stations, demonstrates the lack of relevant data in the immediate project area. Table 3, presents a summary of the flows and basin characteristics of the WSC stations, whereas Table 4 shows precipitation values for the AES stations. These values indicate considerable spatial variation, which is not unusual for a coastal mountainous region. This variation demonstrates the localized nature of the climatic and hydrologic conditions, which, when combined with the temporal and spatial scarcity of data coverage, presents a significant challenge for estimating hydrologic values. As a result, considerable uncertainty is associated with all estimated values.

Given the noted uncertainty, it was decided that the most appropriate approach would be to present the estimated MAD for Montrose Creek project as a range of values, rather than a single value. As such, the MAD for Montrose Creek project was estimated to range between 8.02 m<sup>3</sup>/s and 9.60 m<sup>3</sup>/s, corresponding to unit area MAD values of 81 l/s/km<sup>2</sup> and 97 l/s/km<sup>2</sup>. These unit runoff values, which are comprised of rainfall runoff and glacier runoff components, fall towards the upper end of the range of the regional values, which is consistent with the Montrose Creek's



position in a highly glaciated area with significant exposure to coastal weather systems. The rainfall component was estimated from regional rainfall data, orographic precipitation considerations and typical runoff coefficients, while the glacier component was estimated on the basis of results from previous UBC Watershed modelling of other BC watersheds, which indicated glacier runoff values of approximately 80 l/s per km<sup>2</sup> of glacier. It should be noted that glacier runoff varies according to a number of factors, most notably aspect and corresponding sunlight exposure. However, when compared to variations in precipitation, it is relatively consistent, and therefore the 80 l/s value was adopted as representative of the region.

Over the course of the last 18 months stream flow gauges have been installed and monitored on Montrose Creek and adjacent watercourses in order to verify the above results. See Figure 7 for an up to date Hydrograph.

## **SURFACE WATER QUALITY AND SEDIMENTATION**

Please refer to Section 3.2.2-SURFACE WATER QUALITY AND SEDIMENTATION

## **GROUNDWATER**

Please refer to Section 3.2.2-GROUNDWATER.

### **3.3.3 CAPACITY OF POWER PLANT AND WATER QUANTITY TO BE DIVERTED**

#### **INSTREAM FLOW REQUIREMENTS**

The Instream Flow Requirements (IFR's) in order to sustain the current ecosystem that exists in the project area will be determined through detailed fisheries and habitat studies in the next stage of the project development. At this early stage of the project development, a conservative approach has been taken in assigning the preliminary IFR's for the Montrose Creek Hydroelectric Project and a value of 10% MAD (Mean Annual Discharge) was selected. The plant capacity and energy generation potential for the project presented in this report is based on this assumption for IFR's (i.e. 10% MAD year round).

Cascade obstructions and potential fish barriers are noted in the steep sections of the creek directly upstream of the proposed powerhouse site. Based on available information (BC Government Website "Fish-Wizard") no fish are present in the affected reach of the creek, except in the vicinity of the powerhouse site, where Salmon and other fish species make use of the creek at various times of the year. Additional studies are planned to investigate the presence/absence of fish in the affected reach.

Migration flows in the range of 50% to 100% MAD may be required for a period of days to weeks based on preliminary standards prepared by the Province (Hatfield et al. 2002). Adequate flows may be provided by natural flows in excess of the design flow in many years.

#### **PLANT CAPACITY AND ENERGY GENERATION POTENTIAL**

With reference to Section 3.3.2-HYDROLOGY, the estimated long-term average annual unit area runoff for the Montrose Creek at the proposed intake location is in the order of 89 l/s/km<sup>2</sup>. This results in a mean annual discharge (MAD) of 8.81 m<sup>3</sup>/s. This value was used in order to determine the optimum installed capacity for the proposed project, in order to ensure that the proposed project makes the most beneficial use of the resource.

The estimated annual average generation potential of the proposed project, based on a capacity factor of about 40% and an installed capacity of 50 MW, is 181 GWh.

#### **MAXIMIZING THE POTENTIAL OF THE RESOURCE**

Knight Piésold Ltd. has reviewed many potential development alternatives for the Montrose Creek system, the most favourable of which are presented in this report. Based on the following criteria we believe that the project will fully develop the potential of this site:

- Cost / Benefit ratio (Total Capital Cost / Average Annual Generation);
- Construction Risks;
- Environmental Impact;
- Permitting Risks;
- Schedule and Construction Risks;
- BC Hydro's Green Criteria Compliance.

We can therefore conclude that the preferred project configuration, as presented in this report, is maximizing the potential of the resource based on the current permitting and licensing environment and potential markets available, specifically the BC Hydro Green Power Generation Call for Tenders (2004/2005).

#### **3.3.4 PRELIMINARY DESIGN CONCEPTS AND PROJECT COMPONENTS DESCRIPTION**

##### **ACCESS ROADS**

Access to the location of the proposed powerhouse will be via existing logging roads. To provide access to the intake structure a new access road will be required. It is proposed that this road be constructed along the penstock alignment. In addition to the permanent road, short sections of temporary road may be required to provide construction access. See Figures 9 & 13 for typical details.

All permanent roads will be constructed to BC Forest Practice Code.

The proposed new access road alignment is presented in Figure 17.

##### **MAIN INTAKE**

The main intake and diversion structure will be located at an elevation of approximately 512 m, which is 5.5km upstream of the Montrose Creek's confluence with Filer Creek. The structure will consist of the following:

- A low gated concrete weir with inflatable rubber weir, concrete retaining walls and earth embankments.
- An intake structure with sediment trap, screens, isolating gate and scour gate that will transfer a portion of the creeks flow to the penstock. Please see Figures 14-16 for a plan and sections of these works.

Basic design parameters for the intake are as follows:

- The intake spillway structure will be sized to pass the 1:200 year instantaneous peak flood event.
- Sediment and bedload transported by the creek will be passed directly over the deflated rubber weir. A scour gate will also be installed to allow the operator to flush the area directly in front of the intake screens.
- Floating debris (logs, etc) will be allowed to pass over the top of the concrete weir.

- The intake structure will be sized to transfer the design flow to the low-pressure conduit/penstock.
- Instream flow requirements will be handled through a scour outlet pipe.

#### LOW PRESSURE CONDUIT AND PENSTOCK

The low-pressure conduit will be a HDPE pipe, approximately 1800 m in length, running from the intake structure, roughly parallel to the contours, to a point immediately downslope of the intake. The penstock will be a steel pipe approximately 2200 m in length, conveying flow from the intake structure, down the Montrose Creek valley, to the powerhouse. Concrete anchor blocks will be constructed at major bends and access manholes will be incorporated into a few of the anchor blocks to provide access for maintenance inspection.

At creek crossings the pipeline will be buried under the creek and encased in concrete, allowing the creek to flow uninterrupted over the top of the pipe. At road crossings the pipe will be reinforced to allow for traffic loading. Figures 8-12 offer typical plans and sections of the Pipeline alignment. The general arrangement plan of the penstock is presented in Figure 17.

#### POWERHOUSE AND GENERATING EQUIPMENT

The powerhouse, which has been sited on a potentially non-salmon bearing reach of the river, will be constructed on a raised bench at an elevation of 55 m, approximately 1500 m upstream of Montrose Creek's confluence with Filer River. The powerhouse will consist of the following:

- Reinforced concrete foundations and substructure.
- Reinforced concrete and steel framework superstructure with block walls and steel roof.
- Bypass/pressure reducing valve (PRV).
- Two turbine generator sets including:
  - 2 x 25 MW Pelton Units,
  - 2 x Direct Coupled Synchronous Generators at 13.8 kV.
- Switchyard with 13.8 kV to 230 kV step-up transformer.
- Tailrace structure.

#### TRANSMISSION AND INTERCONNECTION

Please see Section 3.4 for transmission and interconnection details for the East Toba River and Montrose Creek Hydroelectric Projects.

### 3.4 TRANSMISSION LINE FROM SALTARY BAY TO EAST TOBA AND MONTROSE HEP's

The proposed transmission line will extend from Sallery Bay near Powell River up to the East Toba River and Montrose Creek Hydroelectric Projects. The line will be wood pole construction with 230kV conductor. A new substation will be required at Sallery Bay for interconnection to the BCTC grid.

An extensive review of this proposed alignment has been conducted in order to choose the most technically feasible and economically viable route. Environmentally sensitive areas have been avoided as well as private property where possible. Most of the proposed transmission line will follow existing logging roads and will be obscured from view, where possible. Please see Figures 3-1 to 3-9 for details of the Transmission Line route.

### **3.5 POTENTIAL SOCIO-ECONOMIC ISSUES**

#### **3.5.1 ENVIRONMENTAL**

The coastal region of British Columbia is home to a multitude of flora and fauna. Throughout the planning stages of this project the environment has been the guiding factor in siting facilities and construction methods. Desktop studies using existing data from services such as "Fish Wizard" have been completed for the initial screening assessment of this project and baseline environmental studies are well underway.

#### **3.5.2 ECONOMIC**

A project such as this will offer British Columbians an affordable "Green" energy source that will alleviate the need to import energy at a premium from outside the province. This project will also have the economic benefit of employing personnel to operate and maintain these new facilities.

#### **3.5.3 HERITAGE**

Every attempt will be made to avoid heritage sites and further consultation will be required between local First Nations groups and Plutonic to determine the location of heritage sites and other sensitive areas.

#### **3.5.4 SOCIAL AND HEALTH**

As mentioned above, this project has the benefit of offering a "Green" energy source that will replace the need to burn fossil fuels. The transmission line will also play a role as a potential firebreak that would protect this area from the spread of wild fires.

### **4. LAND USE SETTING**

The Transmission Line Drawings referred to earlier in this letter clearly depict the location of existing land tenures as well as land uses within the project vicinity. An attempt has been made to avoid private land where possible. Government licensed tree farms and First Nations territorial lands in this area are unavoidable and preliminary consultation with their respective representatives is underway. Please refer to Figures 3-1 to 3-9 for more details on land use in the project area.

### **5. CONSULTATIONS**

Public consultation has been initiated with the following First Nations Groups:

- Siammon First Nation
- Member Nations of the Hamalia Treaty Society
- Klahoose First Nation
- Homalco First Nation

Correspondence with the above First Nations groups is included as attachments to this letter.

The logging companies (Interfor and Weyerhaeuser) that are active within the proposed project development area have also been contacted regarding the proposed East Toba River and Montrose Creek Projects. Meetings are planned with some of their representatives in September 2004.

## 6. TIMING AND SCHEDULE

It is anticipated, once the BCEA Review process has been successfully completed, that construction may commence. The East Toba River and Montrose Creek Hydroelectric Projects should be commissioned in 2008. Please see Figure 2 for a detailed development schedule.

If you require any clarifications or additional information, please do not hesitate to contact the undersigned or Sam Mottram (Knight Plésold 604 685-0543). smottram@knightpiesold.com

Yours truly,  
**PLUTONIC POWER CORPORATION**

*"original signed"*

Donald McInnes  
**President**

### **Enclosures:**

- Figure 1 (Rev 0) – Project Layout and Transmission Route
- Figure 2 (Rev 0) – East Toba River and Montrose Creek Hydroelectric Projects Proposed Development Schedule
- Figures 3-1 to 3-9 – Transmission Line R.O.W.
- Figure 4 (Rev 0) – East Toba River Project General Arrangement Plan
- Figure 5 (Rev 0) – Climate/Streamflow Station Locations
- Figure 6 (Rev 0) – Average Monthly Hydrographs At East Toba River Intake
- Figure 7 (Rev 0) – Average Monthly Hydrographs At Montrose Creek Intake
- Figure 8 (Rev 0) – Penstock Plan & Section – Typical Pipe Crossings
- Figure 9 (Rev 0) – Penstock Creek & Road Crossings – Typical Sections & Details
- Figure 10 (Rev 0) – Penstock – Typical Minor Creek Crossing
- Figure 11 (Rev 0) – Penstock – Typical Sections
- Figure 12 (Rev 0) – Typical Surface Mounted Penstock – Ring & Girder Support
- Figure 13 (Rev 0) – Access Road – Typical Road Bridge Concept Plan & Profile
- Figure 14 (Rev 0) – Main Intake – General Arrangement – Plan View
- Figure 15 (Rev 0) – Main Intake – Spillway & Sluice Channel – Section 1
- Figure 16 (Rev 0) – Main Intake – Intake Structure – Section 2
- Figure 17 (Rev 0) – Montrose Creek Project General Arrangement Plan

- Table 1 (Rev 0)– East Toba River Project Summary
- Table 2 (Rev 0)– Montrose Creek Project Summary
- Table 3 (Rev 0)– Summary of Regional Streamflow stations
- Table 4 (Rev 0)– Summary of Regional Climate stations

- Letter to the Hamatla Treaty Society – July 16, 2004
- Letter to the Hamatla Treaty Society – July 28, 2004
- Letter to the Homalco First Nation – July 16, 2004
- Letter to the Homalco First Nation – July 28, 2004
- Letter to the Klahoose First Nation – July 16, 2004
- Letter to the Klahoose First Nation – July 28, 2004
- Letter to the Sliammon First Nation – July 16, 2004
- Letter to the Sliammon First Nation – July 28, 2004

**Copy:** Derek Griffin – BC Environmental Assessment Office  
Sue Bonnyman – BC Environmental Assessment Office

Julia Berardinucci – LWBC  
Kristie Trainor - LWBC

**IN THE MATTER OF THE ENVIRONMENTAL ASSESSMENT ACT S.B.C. 2002, c.43**

**(Act)**

**AND**

**AN ENVIRONMENTAL ASSESSMENT OF THE  
TOBA INLET MONTROSE CREEK PROJECT (Project)**

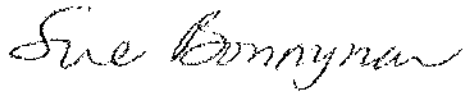
**ORDER UNDER SECTION 11**

**WHEREAS:**

- A. Plutonic Power (Proponent) proposes to construct and operate, in the vicinity of Toba Inlet, British Columbia, an independent power project development comprised of two run-of-the-river hydro-generation sites, associated transmission lines and road infrastructure;
- B. The Project constitutes a reviewable project pursuant to Part 4 of the *Reviewable Project Regulations* (B.C. Reg. 370/02), because it is a new power plant facility with a rated name plate capacity of  $\geq 50$  Megawatts (MW) or more of electricity and is a hydroelectric power plant;
- C. On September 16, 2004, the Environmental Assessment Office (EAO) issued an Order under section 10(1)(c) of the Act, stating that the Project requires an environmental assessment certificate, and that the Proponent may not proceed with the Project without an assessment;
- D. On September 16, 2004, the Executive Director, in accordance with section 4 of the Act, delegated certain statutory and regulatory powers and duties in relation to the Project to the undersigned Project Assessment Manager;
- E. The Project is subject to the *Canadian Environmental Assessment Act* S.C. 1992, c. 37, and pursuant to the *Canada-British Columbia Agreement for Environmental Assessment Cooperation (2004)*, British Columbia and Canada are committed to developing a project-specific work plan for a cooperative environmental assessment of the Project;
- F. The Project area lies within the asserted traditional territory of the Hamatla, Klahoose, Sechelt and Sliammon First Nations;
- G. Prior to this Order taking effect, the Proponent held discussions with the Hamatla, Klahoose, Sechelt and Sliammon First Nations with respect to their interests in the Project, including potential impacts on the Hamatla, Klahoose, Sechelt and Sliammon First Nation's asserted aboriginal rights and title claims;
- H. Prior to this Order taking effect, the Proponent consulted with the public with respect to the Project; and
- I. Prior to this Order taking effect, the Proponent consulted federal, provincial and local government agencies with respect to the Project.

**NOW THEREFORE:**

Pursuant to section 11 of the Act, I order that the environmental assessment of the Project be conducted according to the scope, procedures and methods set out in Schedule A to this Order.



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Sue Bonnyman  
Project Assessment Manager  
Toba Inlet Montrose Creek Project

Dated December 1, 2005 at Victoria, British Columbia

Enclosure:    Schedule A



**SCHEDULE A TO ORDER UNDER SECTION 11 OF THE ACT**  
**SCOPE, PROCEDURES AND METHODS FOR THE ENVIRONMENTAL**  
**ASSESSMENT OF THE TOBA INLET MONTROSE CK. PROJECT**

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## Part A General Provisions

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### 1. DEFINITIONS FOR SCHEDULE A

**"Aboriginal Interests"** means asserted aboriginal rights and/or title.

**"Act"** has the same meaning as on page 1 of the Order.

**"Application"** means the Proponent's application for an environmental assessment certificate for the Project, made under Section 16 of the Act.

**"Application Terms of Reference"** means the information which the Project Assessment Manager requires in the Application, pursuant to Section 16(2) of the Act and section 10 of this Order.

**"Assessment Report"** means the report referred to in section 19 of this Order.

**"Environmental Assessment Office"** means the office set up under Section 2 of the Act.

**"First Nations"** means the Hamatla, Klahoose, Sechelt and Sliammon First Nations.

**"Order"** means this Order, which is issued under section 11 of the Act, and includes all pages of this Order, including this Schedule (Schedule A).

**"Project"** has the same meaning as on page 1 of the Order.

**"Project Assessment Manager"** has the same meaning as on page 1 of the Order.

**"Proponent"** has the same meaning as on page 1 of the Order.

### 2. REVIEWABILITY OF THE PROJECT

- 2.1 The Project constitutes a reviewable project pursuant to Part X of the *Reviewable Projects Regulation* (B.C. Reg. 370/02)

## Part B Scope of the Project and the Assessment

---

### 3. SCOPE OF THE PROJECT

- 3.1 The scope of the Project consists of the following on-site and off-site components and activities in the area shown on Figure 1:
- A 145 km 230KV transmission line extending from Saltery Bay near Powell River, BC north to the Montrose Ck. And East Toba River Hydroelectric facilities;
  - Access roads and bridges to and within the Project site;
  - East Toba River 120 MW Hydroelectric Project;
  - Montrose Ck. 50 MW Hydroelectric Project;
  - Temporary Construction Camp and Laydown Areas;
  - Aggregate borrow site(s); and
  - Batch plant.

#### **4. SCOPE OF THE ASSESSMENT**

- 4.1 The scope of assessment for the Project will include consideration of the potential for environmental, social, economic, health and heritage effects and potential effects on First Nations' Aboriginal interests, and will take into account practical means to prevent or reduce to an acceptable level any potential adverse effects of the Project.

### **Part C**

#### **Assessment Procedures – General Provisions**

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#### **5. STAGING OF THE ASSESSMENT PROCESS**

- 5.1 The Proponent will engage in two stages of the assessment process– the Pre-application stage and the Application review stage.
- 5.2 The Proponent must use the Application review stage to address issues raised by the public, First Nations, local governments and federal and provincial government agencies concerning the Application and identify and propose to mitigate anticipated project impacts. The Proponent will be requested to review and confirm information provided in the Assessment Report, prepared by the EAO as the basis for a decision by Ministers on the Application under section 17(3) of the Act.
- 5.3 On the invitation of the Project Assessment Manager, the Proponent must participate in meetings of the working groups, established by the EAO with representatives of federal, provincial and local government agencies and the First Nation(s).

#### **6. PUBLIC NOTICE**

- 6.1. The Proponent, by means of newspaper advertisements, radio announcements or other means acceptable to the Project Assessment Manager, must provide public notice of:
- (i) the availability of the Application for public review and comment, and the time limits for the formal public comment period provided for in this Order;
  - (ii) the date, time and location of any open houses or general public meetings held in respect of the Project, whether organized by the Proponent or the Environmental Assessment Office; and
  - (iii) any provincial application for concurrent review.
- 6.2. The Proponent must obtain approval from the Project Assessment Manager for the content, format and publication schedule for newspaper advertisements required under Section 6.1 of this Order.
- 6.3. If more than one notice of an event is to be given, then, in accordance with Section 5 of the *Public Consultation Policy Regulation* (B.C. Reg. 373/02), the first notice must appear:
- (i) in the case of a formal public comment period, at least 7 days prior to the date on which the formal public comment period commences; and
  - (ii) in the case of an open house or general public meeting, at least 7 days prior to the date on which an open house or public meeting is scheduled.

- 6.4. The Proponent may be required by the Project Assessment Manager to implement additional specified measures notifying the public, during the assessment of the Project.

## **Part D**

### **Assessment Procedures – Pre-Application Stage**

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#### **7. PUBLIC CONSULTATION**

- 7.1. The Proponent must consult with the public by holding Open Houses, general public meetings and various stakeholder meetings in the Powell River and Sechelt communities. The Proponent must consult with respect to public issues and concerns with the Project, in communities in the vicinity of the Project as required by the Project Assessment Manager for the purposes of developing the Application Terms of Reference.

#### **8. FIRST NATION CONSULTATION**

- 8.1. The Proponent must consult with First Nations with respect to their Aboriginal interests in, and their issues and concerns with the Project, as required by the Project Assessment Manager.

#### **9. GOVERNMENT AGENCY CONSULTATION**

- 9.1. The Proponent must consult with federal, provincial and local government agencies on an individual basis, and collectively through the Working Group, with respect to their issues and concerns with the Project.

#### **10. APPLICATION TERMS OF REFERENCE**

- 10.1. The Proponent must prepare draft Terms of Reference for the Application to identify the issues to be addressed and the information to be provided in its Application.
- 10.2. The Proponent must submit draft Terms of Reference, in an electronic format, to the Project Assessment Manager, who will make it available to relevant federal and provincial agencies, local government and First Nations for review and comment.
- 10.3. The Proponent must incorporate into its Terms of Reference any First Nations, government agency and local government comments that the Project Assessment Manager deems to be within the scope of the assessment and submit the Terms of Reference to the Project Assessment Manager for review and approval.
- 10.4. The Proponent, after the Application is filed, may be required to address additional issues or interests raised in the course of the review, but not addressed in the Application Terms of Reference, where the Project Assessment Manager believes this is necessary to complete an effective and timely assessment.
- 10.5. The Proponent may be required to provide relevant information in addition to that presented in the Application, including information from studies identified in the Application which are completed after the Application is filed, within time limits set by the Project Assessment Manager.

## **11. WORKING GROUP**

- 11.1. The Project Assessment Manager will establish an advisory Working Group.
- 11.2. The Working Group will include invitees of federal, provincial and local government agencies and the First Nations.
- 11.3. Members of the Working Group, where requested by the Project Assessment Manager, either have undertaken, or will be given the opportunity to undertake, the following specific tasks from the perspective of the interests and/or program responsibilities of the organizations which they represent:
  - (i) reviewing and commenting on drafts of the Application Terms of Reference;
  - (ii) providing advice on First Nations consultation activities;
  - (iii) providing advice on public consultation activities;
  - (iv) screening, reviewing and commenting on the Application;
  - (v) providing advice on issues raised during the course of the assessment of the Project; and
  - (vi) providing advice on the assessment findings to be reported to the Ministers at the conclusion of the Project review.

## **Part E**

### **Assessment Procedures – Application Review Stage**

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## **12. PREPARING AND SUBMITTING THE APPLICATION**

- 12.1. The Proponent must prepare the Application in accordance with the Approved Application Terms of Reference, and must submit it to the Project Assessment Manager for review.
- 12.2. The Proponent must supply to the Project Assessment Manager an electronic version of the Application, in an acceptable electronic format, and if requested, supply the requested number of hard copies of the Application in the quantity indicated by the Project Assessment Manager.
- 12.3. A proponent applying for concurrent review of one or more applications for approvals under other enactments, must submit the request to the Project Assessment Manager when the Proponent submits its Application under 12.1.

## **13. PUBLIC CONSULTATION ASSESSMENT**

- 13.1. The Proponent must include in its Application:
  - (i) a summary and evaluation of public consultations activities that the Proponent has already carried out in relation to the Project; and
  - (ii) a proposal for a public consultation program that the Proponent plans to carry out for purposes of reviewing the Application.
- 13.2. The Project Assessment Manager will use this information to assess the adequacy of the proposed public consultations activities.

- 13.3. The Proponent may be required, as a result of a public consultation assessment of the Application, provided in writing by the Project Assessment Manager, to undertake further consultation activities to ensure adequate public consultation on the Application, within time limits set by the Project Assessment Manager.
- 13.4. The Proponent must complete the public consultation program for the Application review stage, including any additional measures for consultation specified by the Project Assessment Manager, by the end of the formal public comment period set by the Project Assessment Manager.

#### **14. FIRST NATIONS CONSULTATION ASSESSMENT**

- 14.1. The Proponent must include in its Application:
  - (i) a summary and evaluation of consultations with First Nations that the Proponent has already carried out in relation to the Project; and
  - (ii) a proposal for a program of consultations with First Nations that the Proponent plans to carry out for purposes of reviewing the Application
- 14.2. The Proponent must forward the materials required under 14.1 to the First Nations for review and comment and provide the Project Assessment Manager with any comments received from the First Nations.
- 14.3. The Proponent may be required by the Project Assessment Manager, as a result of an assessment of the Proponent's past and proposed plans for consultations with the First Nations and taking into account any input and advice provided by the First Nations, to undertake further measures that the Project Assessment Manager considers necessary to ensure adequate First Nation consultation in the review of the Application.
- 14.4. Measures identified in 14.3 above may include set time limits for carrying out additional specific First Nation consultations; and allocation of responsibilities to the Proponent or the Environmental Assessment Office, or both.

#### **15. PUBLIC CONSULTATION**

- 15.1. The Proponent must conduct the public consultation program proposed in its Application, during the public comment period established by the Project Assessment Manager, subject to any modification of that program ordered by the Project Assessment Manager.
- 15.2. At least one formal comment period of at least 30 days will be established by the Project Assessment Manager.
- 15.3. After completion of the public consultation program in accordance with 15.1 of this Order, the Proponent, within 30 days, must provide to the Project Assessment Manager a written report on the results of its public consultation activities, noting views, issues and concerns raised by the public with respect to the Project and how they are to be addressed.

## **16. FIRST NATIONS CONSULTATION**

- 16.1. The Proponent must provide copies of the Application to the First Nations for information and consultation purposes, in order that the First Nations may respond to an invitation from the Project Assessment Manager to submit comments on the Application, either through their participation in the Working Group or independently.
- 16.2. During the Application review stage, the Proponent, with the involvement of the EAO where appropriate, must make reasonable efforts to consult with the First Nations in accordance with:
  - (i) any relevant arrangements or agreements with First Nations with respect to the assessment of the Project; and
  - (ii) the consultation program proposed in the Application, subject to any modification of that program ordered by the Project Assessment Manager.
- 16.3. The Proponent must advise the Project Assessment Manager as early as practicable if circumstances arise which, in the Proponent's view, prevent the Proponent from implementing the First Nation consultation measures required in 16.2 of this Order, in which case, the Project Assessment Manager may require the Proponent to undertake alternative or additional measures.
- 16.4. The Proponent must arrange consultation meetings by mutual agreement with the First Nation, and consultations under 16.2 of this Order will seek to identify:
  - (i) any specific Aboriginal interests which may be potentially affected by the Project, as identified in aboriginal interest and use studies, traditional use studies or other studies; and
  - (ii) measures to avoid, mitigate or, where appropriate, otherwise address or accommodate them.
- 16.5. The Proponent must submit a report to the Project Assessment Manager, within 30 days of the completion of the public comment period, on the results of any consultations with First Nations which it conducts for the purposes of Section 16 of this Order.
- 16.6. Based on the Proponent's report received under 16.5 of this Order, the Proponent may be required to implement additional measures for First Nations consultation and accommodation, where appropriate, as required by the Project Assessment Manager.
- 16.7. At the request of the Project Assessment Manager, the Proponent must provide the Project Assessment Manager with any information the Project Assessment Manager considers relevant with respect to the province's legal duties of consultation and accommodation, where indicated.

## **17. GOVERNMENT AGENCY CONSULTATION**

- 17.1. The Proponent must provide copies of the Application to federal, provincial and local government agencies for information and consultation purposes.

- 17.2. The Proponent must consult with federal, provincial and local government agencies on an individual basis, and collectively through the Working Group, when requested by the Project Assessment Manager.

## **18. PROPONENT RESPONSES TO COMMENTS RECEIVED**

- 18.1. Where requested by, and within any time limits set by the Project Assessment Manager, the Proponent must respond to issues that are identified in comments submitted by government agencies, First Nations and the public which are received during the review of the Application, and that the Project Assessment Manager considers to be within the scope of the assessment.
- 18.2. Where requested by, and within any time limits set by the Project Assessment Manager, the Proponent must provide specified additional information in relation to, or to supplement, the information provided in the Application, to address issues identified during the course of the review of that document.

## **19. PREPARING THE ASSESSMENT REPORT**

- 19.1. The Proponent will be consulted in the preparation and completion of the draft Assessment Report and the findings to be reported to the Ministers, along with the First Nations, members of the Working Group, and any other advisory mechanism deemed necessary by the Project Assessment Manager to advise on the drafting of the Assessment Report.

## **20. MINISTERIAL REFERRAL AND DECISION**

- 20.1. The Proponent, as well as the First Nations, members of the Working Group, and any other advisory mechanism involved in the drafting of the Assessment Report, will be advised by the Project Assessment Manager of the date that the final Assessment Report is forwarded to the Ministers, and of the decision of the Ministers.





COPIED TO:	
Macdonald	
Peter N.	
Bryan W.	
Dave F.	
Val C.	

ABORIGINAL RELATIONS AND RECONCILIATION
JAN 17 2006
CORPORATE SERVICES

Telephone: 250-387-1624  
Facsimile: 250-387-2208

File: 30050-40/Toba-05-01

Reference: 96174

January 16, 2006

63400-80/KLAH1/PPC1

Chief Duane Hanson/Kathy Francis, Project Coordinator  
Klahoose First Nation  
Box 28  
Cortes Island BC V0P 1K0

Dear Chief Duane Hanson and Kathy Francis:

Thank you for your letter dated January 03, 2006 regarding Plutonic Power's proposed East Toba River and Montrose Creek Hydroelectric Project (the "Project") in the Toba Valley. We very much appreciate the suggestions provided by the Klahoose First Nation, as well as their continued involvement in the ongoing environmental assessment of the Project. The Environmental Assessment Office would like to inform you of a staffing change to the Project, with Michelle Porter being replaced by Roger Tailleux as the Environmental Assessment Officer. Roger's contact information is provided below. I will continue to be the delegated authority for the review, assisted by Roger.

s.16

If you have any questions about the proposal, please contact me at my number listed below. If upon review you would like to proceed with the agreement, please sign copies and return by mail for processing. I will return one of the copies to you for your records following its signature by the Executive Director of the EAO.

.../2

Environmental  
Assessment  
Office

Mailing Address:  
PO Box 9426 Stn Prov Govt  
Victoria BC V8W 9V1

Location:  
2 - 836 Yates Street  
Victoria

s.16

If you require any additional information about these firms please contact Roger or I.  
If you have any other questions or concerns regarding the review please feel free to contact me at  
(250) 387-1624 or Roger Tailleir, Project Assessment Officer, at (250) 387-1841.

Yours truly,



Sue Bonnyman  
Project Assessment Manager  
Environmental Assessment Office

pc. Carol James, Leader Official Opposition  
Claire Trevena, MLA North Island  
Scott Fraser, MLA, Aboriginal Relations and Reconciliation Critic  
Corky Evans, MLA, Energy and Mines Critic  
Shane Simpson, MLA, Environment Critic  
Donald McInnes, Plutonic Power Corporation  
Dave Carter, Canadian Environmental Assessment Agency Coordinator  
✓ Margo Eléwonibi, Senior Treaty Negotiator, BC  
Jim Doswell, Chief Treaty Negotiator, Canada  
Chief Walter Paul, Sliammon First Nation  
Chief Stan Dixon, Sechelt First Nation  
Chief Darren Blaney, Homalco First Nation  
BC Hydro  
Roger Tailleir, Environmental Assessment Office

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## **PUBLIC AND FIRST NATIONS CONSULTATION REPORT**

**EAST TOBA AND MONTROSE RUN OF RIVER HYDROELECTRIC PROJECT**

**PLUTONIC POWER CORPORATION**

**MAY 17, 2006**

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## INTRODUCTION

Plutonic Power Corporation ("PPC") has, in this document, undertaken a review and response to all comments and questions submitted by members of the public at open houses and via written submissions to the Company and to the Environmental Assessment Office of the Provincial Government regarding the proposed development of a renewable energy, run-of-river hydroelectric project on the East Toba River and Montrose Creek.

A comprehensive background of the company's consultation activities has been included.

The letters received during the public comment period are posted in their entirety on the EAO website: ([http://www.eao.gov.bc.ca/epic/output/html/depoly/epic\\_project\\_home\\_245.html](http://www.eao.gov.bc.ca/epic/output/html/depoly/epic_project_home_245.html)).

Comments and letters received after the public comment period will have their areas of concern addressed in this document even though they have not been posted on the EAO website.

A spread sheet was created tabulating all letters from all sources by area of concern and is included in this report.

Since these letters contained a great deal of commonality of issues and concerns, we have created a "Common Topics and Replies" based on those various subjects so that readers can review all enquiries and answers in one space. Where issues were unique or had an aspect requiring more detailed attention, they have been addressed separately by noting both author and subject and then the reply. Several written submissions were extensive and required technical replies and comments accompanied by some detail. These are reprinted in their entirety as are the responses.

A great many of the submissions were outside the scope of the proponent's activity and the project and many were associated with existing government policy or concerned future energy and individual Government Ministry policy development. We have identified these comments by a "outside operational scope" notation and provided or made reference to government documents and releases that address, or partially address these concerns and provided suggestions as to where to direct those inquiries or statements.

All work undertaken by PPC in connection with the projects is posted on the company website including the Terms of Reference for the Environmental Assessment and the Application for an Environmental Assessment Certificate. Answers that require portions of this material will make reference to the application and to the relevant section.

Any readers who wish to have subjects addressed in more detail are encouraged to forward an e-mail specifying their area of concern to Robert Poore ([Robert@plutonic.ca](mailto:Robert@plutonic.ca)) and we will make every effort to reply or direct you to a relevant document or agency.

## **BACKGROUND**

### **COMMUNITY CONSULTATION**

Consultation activity has been undertaken with First Nations, the Public, stakeholder organizations, forestry companies, Crown Corporations, Municipal Government, Federal Government, and Provincial Government.

The Community of Powell River has a longstanding positive relationship with the Sliammon Band. The Community and the Band participate in joint ventures (seawall construction, housing and resort property development etc) and in doing so have established a situation where consultation with either party generally directly involves the other. Open houses in the Sliammon community centre have attracted participants from the local business community (loggers, truckers, welders, first aid attendants etc: ) who are welcomed by the First Nations community and included in plans for developing training programs and job fairs.

Public presentations and open houses put on by PPC in Powell River (four open houses, Rotary Club Presentation, Stillwater Advisory Group Meeting) were all attended by representatives of First Nations and by band members from Klahoose First Nation and Sliammon First Nation interested in learning more about the Project. These open houses showcased the Project and allowed band and other community members an opportunity to learn about the project components and ask questions. The majority of attendees at the open houses tended to gravitate to display information depicting their particular interest. PPC staff and their consultants engaged in explanations and discussions on areas of interest and concern, often providing copies of documents and maps. Those that felt their questions had been answered often did not provide written questions or comments as a follow up to those discussions.

### **Public Consultation Activities**

- All First Nations groups that may be affected by the Project, including the Klahoose, Sliammon, Homalco, and Sechelt First Nations; and the Hamatla Treaty Society were notified at the time the water licenses were granted (2004) and discussions with the Powell River Regional Economic Development Society (PRREDS) staff began at the same time. PPC occasionally operates from the PRREDS offices and their staff has helped organize a PPC Board meeting and functions for civic officials, service organizations and PPC principals and consultants.
- The General Public is able to access all data relevant to the project through the Company web site ([www.plutonic.ca](http://www.plutonic.ca)). Environmental permitting data is available to the public on the BC Environmental Assessment Office website ([www.eao.gov.bc.ca](http://www.eao.gov.bc.ca)). PPC staff makes reference to the website in all correspondence, media advertising and in conversations with the local community in an effort to emphasize the scope and financial impact of the proposed Project on the region. This is augmented by hosting open houses

in Powell River, bi-weekly local newspaper advertisements, radio interviews, television interviews, and by developing relationships with suppliers and service companies in order to do as much business locally as possible.

- **Powell River Regional Economic Development Society (PRREDS)**

In addition to the activities already mentioned, PRREDS have provided introduction to local business people and Civic and Regional District Politicians and continue to provide project update information to their membership and affiliates.

- **Eldred River climbers group**

Representatives from the group have met several times with PPC staff and consultants to insure the transmission line routing interferes as little as possible with their climbing activities in the region. Ultimate transmission line pole placement and line orientation will be determined to try to provide the club with off road parking access for their members without routing the lines over their campground.

- **Community Advisory Group to the Stillwater Timberlands**

PPC staff and consultants have met on three occasions with members of this group who would like the transmission line to interfere as little as possible with their hiking trails in the area. A procedure for walking the proposed transmission line route on the ground, selecting pole locations and minimizing impact on crossing areas and view corridors has been established and will be included in the permitting from the BC EAO as part of granting an Environmental Assessment Certificate.

- **Cascadia Forest Products**

Cascadia Forest Products (previously Weyerhaeuser) own the timber license for TFL39, which extends from just south of Toba inlet to just north of Saltery Bay. Approximately half of the 148 km 230 kV transmission line proposed by PCC for the East Toba and Montrose project travels through TFL39. Over the last two years, a number of meetings have been held between PCC and Cascadia in order to identify Cascadia's concerns and thereby optimize the routing of the transmission line in order to minimize impacts on ongoing logging activities. Cascadia are actively involved in the environmental assessment process and have provided input and comments to the BC EAO. Comments on the project from Cascadia were submitted to PPC on March 2<sup>nd</sup>. These comments are being taken into consideration in the realignment of the transmission line corridor. PCC responded to the comments on May 1. *See Appendix L – Letter response from PPC to Cascadia Forest Products, May 3, 2006.*

- **International Forest Products (Interfor)**

Interfor owns the timber license for TFL 10 that covers all of the Toba Valley Watershed where the East Toba River and Montrose Creek Project is proposed. Interfor have not been active in the Toba Valley since the late 1980's and have expressed very little interest with regards to PPC's activity in the area. Representatives from Interfor have

been contacted periodically over the last two years to obtain information about the Toba Valley. Interfor have been very helpful and have supplied PPC with a wealth of information that has been useful throughout the Environmental Assessment of the Project.

- **BC Transmission Corporation (BCTC)**

Discussions with BCTC regarding this project have been ongoing for the last two years. In order for PPC to determine if connection with the BCTC transmission system near Powell River, B.C. was worth pursuing, a meeting was held with BCTC in 2004 to discuss these issues. Concerns were made by BCTC with regards to the potential for "overvoltage" in the integrated system at the Malsapina Substation whereby PPC commissioned BC Hydro to complete a study on this issue. The study concluded that the potential for "overvoltage" from the addition of generation from East Toba and Montrose would not exist.

BCTC was commissioned in the fall of 2004 to complete a Preliminary Interconnection Study. In June of 2005 a report outlining the conclusions of this study was provided to PPC. BCTC determined that interconnection was viable.

- **BC Hydro and Power Authority**

BC Hydro has also been engaged by PPC and its consultants over the past 2 years. The initial concept of the Green Power Corridor (GPC), which the East Toba and Montrose Project is Phase 1, was first introduced to BC Hydro in 2004. Knight Piésold Ltd., on behalf of PPC, has been forwarding BC Hydro all relevant information pertaining to the GPC as an alternative method of connecting the Vancouver Island transmission Grid with the Lower Mainland Grid.

PPC was also very active in BC Hydro's Requests for Expressions of Interest in the Fall of 2005. Information on all of PPC's projects were provided to BC Hydro for this request.

PPC was also actively involved in the 2005 Integrated Electricity Plan (IEP). PPC had attendants at all of the stakeholder engagement meetings held in Vancouver for input to the 2005 IEP. The IEP has since been filed with the British Columbia Utilities Commission.

- **Powell River Regional District (PRRD)**

Discussions with the PRRD regarding this project have been ongoing for the last two years. PPC first presented this project to the PRRD at a Board meeting on October 6<sup>th</sup>, 2004 shortly after the Water Licence and Crown Land Tenure Applications for the Project were submitted to LWBC. PRRD have also been actively involved in the environmental assessment process and provided input and comments to the BC EAO. PRRD have also confirmed that rezoning for this project will not be required.



As part of the EAO permitting process, consultation has also occurred with the following organizations:

- Canadian Environmental Assessment Agency (CEA Agency);
- Environment Canada (EC);
- Indian and Northern Affairs Canada (INAC);
- Fisheries and Oceans Canada (DFO);
- Transport Canada (TC);
- BC Environmental Assessment Office (BCEAO; Ministry of the Environment; MOE);
- Ministry of the Environment (MOE; general);
- Archaeology Branch (Ministry of Tourism, Sport and the Arts; MTSA);
- Integrated Land Management Bureau (ILMB; Ministry of Agriculture and Lands; MAL);
- Ministry of Energy, Mines, and Petroleum Resources (EMPR);
- BC Timber Sales (Ministry of Forests and Range; MOFR);
- Ministry of Forests and Range (MOFR; general);
- Vancouver Coastal Health Authority (Ministry of Health; MOH).

As part of the public consultation process, public notification has been published in the following media:

- Powell River Peak newspaper
- Campbell River Mirror newspaper
- Sechelt Coast Reporter newspaper
- Environmental Assessment Office website ([www.eao.gov.bc.ca](http://www.eao.gov.bc.ca))
- Plutonic Power website ([www.plutonic.ca](http://www.plutonic.ca))

The Project was initially introduced into the public domain via the PPC website ([www.plutonic.ca](http://www.plutonic.ca)). The website has remained the primary method for information dissemination to the public, and is regularly updated with information about ongoing field investigations, public consultation events and other Project planning news. PPC has recently created a project specific website for information pertaining directly to the East Toba and Montrose project at [www.tobahydro.com](http://www.tobahydro.com)

Public newspaper articles (National Post: March 29, 2004 and Powell River Peak: September 28, 2004) provided information regarding PPC and its intentions for Project development. On November 4, 2004 a well-attended public open house was conducted in Powell River where PPC and its consultants were available for questions. The open house was advertised in the Powell River Peak newspaper (October 27, 2004 and November 3, 2004). On the same day as the open house, Mr. Donald McInnes, the president of PPC provided an interview on the radio station "Jump Radio" (90.1FM), and local Shaw Cable programming recorded interviews with Project consultants at the open house, which were subsequently televised locally.

PPC has been running continuous advertisements in the Powell River Peak describing the planned Project and outlining opportunities for local companies and contractors to become involved.

On October 6, 2004, PPC and its consultants met with the Powell River Regional Economic Development Society (PRREDS), where the Project was presented and explained. Also on October 6, a meeting was convened with the Powell River Regional District. Representatives from the Stillwater Community Advisory Group were also present at this meeting.

On July 5, 2005, members of the Powell River Economic Development Society were given a tour of the Project area by helicopter in order to better understand the Project location and layout.

PPC attended a Stillwater Community Advisory Group meeting on April 27, 2005 where an overview of the Project was provided.

In January, February and March 2006, as part of the Environmental Assessment Process, PPC conducted seven well attended open house meetings in the East Toba and Montrose project area.

***Public Open House Dates and Locations:***

<b>Date</b>	<b>Location</b>
March 15, 2006	Powell River, BC
February 16, 2006	Sechelt, BC
February 15, 2006	Powell River, BC
January 20, 2006	Sechelt, BC
January 19, 2006	Powell River, BC
January 18, 2006	Cortes Island, BC
January 12, 2006	Powell River, BC

In addition to the above open house meetings, numerous informal meetings have been held in Powell River with various community members.

**FIRST NATIONS CONSULTATION**

PPC acknowledges the assertion of Aboriginal Rights and Title by First Nations in British Columbia as recognized by the Federal Courts of Canada. The Company conducts activities in such a manner as to not interfere with ongoing First Nations treaty negotiations with Government. PPC recognizes the Federal Courts determination that the Province has obligations to First Nations relative to crown land and seeks to support all parties in determining meaningful solutions to those obligations. The question of tax revenue sharing between Government and First Nations is a tax policy question over which PPC has no control or even involvement. The Company will, however, support First Nations efforts to have the matter dealt with in a timely manner since it is considered central in establishing certainty while conducting business within British Columbia.

Several of the Principals in PPC as well as the President and members of the Board of Directors of the Company have extensive background in mineral exploration and development in British Columbia. These same individuals assisted with the funding and creation of the *Mineral Exploration, Mining and Aboriginal Community Engagement (MEM-ACE): A Guidebook* (Joseph et al. 1995) presented by the BC and Yukon Chamber of Mines in association with the Canadian Business for Social Responsibility.

This work has become recognized throughout North America as the definitive guidebook for determining positive and mutually productive relations between First Nations and Industry. PPC has adopted the guidelines established by co-author Bob Joseph as the basis for working with First Nations on Green Power projects. The ten principals governing the Company's relations with First Nations as posted on the PPC website and noted below were derived directly from this work and continue to serve the company in all their activities.

*"Successful partnerships require dedication, commitment, hard work, understanding, trust and mutual respect. They also involve recognizing each other's values and aspirations, and identifying and communicating common goals. Plutonic shares the goals of First Nations in regards to the respect of land and resources and insuring long term sustainability. The Company's activities shall always be conducted in an economically, socially and environmentally responsible manner.*

*The following ten principles guide Plutonic's position on all activities and issues related to First Nations:*

- 1. Recognize the traditional territories and areas of cultural or heritage interest of First Nations.*
- 2. Recognize that First Nations have overlapping or shared territories.*
- 3. Respect the diversity of interests and cultures among First Nations.*
- 4. Respect the internal affairs of First Nations.*
- 5. Have a common commitment to sustainability and respect for the land and its resources.*
- 6. Recognize that each First Nation may have interests and objectives that are unique in their business relationships and cooperative ventures.*
- 7. Acknowledge there's a shortage of capital to involve First Nations in cooperative ventures and assist them wherever possible in obtaining financing from both the private and public sectors.*
- 8. Assist First Nations' ability to develop training, employment, and business opportunities in connection with Plutonic's activities.*
- 9. Support First Nations' aspirations in securing long term economic development.*
- 10. Set objectives and maintain operations that are in the best business interests of the company's shareholders and First Nations."*

PPC recognized the requirement for staff to be dedicated to building and maintaining the community, government, and First Nations relationships that would be necessary to have all local stakeholders benefit to the greatest extent possible from the Project development. Mr. Robert Poore, who functioned as the Executive Assistant to the Minister in the Provincial Ministry of Competition, Science, and Enterprise was hired to head up the division and has been active since February 05, 2005 as the Director of Corporate Relations. PPC considers the early involvement by First Nations in the development proposal as being essential in maximizing the benefits that will flow from the Project to First Nations' communities. Early engagement and meetings with First Nations early in the process provide the opportunity to identify important issues and develop plans to address and accommodate First Nations concerns and ideas. Information gained from engineering studies and environmental assessment activities is posted immediately in order that First Nations have direct access to all relevant data.

The potentially affected First Nations include those where any component of the proposed Project will be located within their identified traditional territory. Based on consultation with the First Nations in the region, with the BCEAO, and with INAC, these First Nations have been identified as:

- Klahoose First Nation
- Sliammon First Nation
- Sechelt First Nation

The Homalco First Nation and members of the Hamatla Treaty Society have also been identified, in the region, however the Toba Montrose Project lies outside their traditional territories.

Communications were initiated between PPC and each of the potentially affected First Nations with a telephone call and letter of introduction sent July 16, 2004 that explained the general scope of the Project and invited open dialogue. Subsequent to the original mail-outs, several telephone conversations took place between PPC and representatives of the First Nations, culminating with a series of meetings. The Company has held meetings with the Chief and Council of each First Nations Group associated with the Project as well as the Board of Directors of Development Corporations, financial advisors, legal advisors, administrative personnel, education and health care staff, treaty staff, newsletter staff, elders, youth groups and owners of first nation companies in efforts to identify issues and conclude agreements and Memorandums of Understanding.

PPC continues to respond to e-mails and telephone calls as a follow up to our open houses and information sessions with youth groups and private sector companies. The Company continuously advertises the Projects in media on the Sunshine Coast that identifies our web site and invites review of all information while providing a forum for questions and answers. The company web site receives daily comments, job interest communications and questions from First Nations, all of which are answered individually.

### **Plutonic Power Corporation's (PPC) Partnership with the Vancouver Regional Construction Association (VRCA)**

Since PPC started discussions with the First Nations, the need for applied training and local employment emerged as a distinct priority. Aboriginal communities have a young yet untrained workforce. PPC requires a young and qualified workforce for project implementation. Thus PPC commenced talks with the VRCA in December 2005. Goal of those conversations was to investigate if the VRCA run and federally funded 'Vancouver Aboriginal Skills for Employment Program' (Van-ASEP) could be used to fill the current skills gap.

On January 4, 2006 a first telephone meeting between Robert Poore, PPC, Katrin Harry of Ayjoomixw Concepts ( PPC's contractor ), and Brendon Farrell, Director of Educational Services at the VRCA, confirmed that there was interest on both sides to work together. It was discussed that a partnership would hold a number of key opportunities for the First Nations involved. These opportunities include the Construction Orientation and Retention for Employment Program (CORE) , job coaching, individualized career planning, flexible assistance for students who require financial help, flexible funding for preparatory initiatives and portable program delivery.

A follow-up meeting was held in Powell River on January 19, 2006. In attendance were Brendon Farrell, Robert Poore, Katrin Harry as well as Jaime Harry and Louise Dominick, both staff members of the Sliammon First Nation's Human Resource and Social Development Departments. The meeting identified Sliammon's interest in taking a partnership role in the initiative. The meeting also confirmed that program delivery in the region would be a possibility.

On January 20, 2006, Katrin Harry met with Louise Dominick and Maureen Adams, Manager of Sliammon's Social Development Department, to develop a first action plan for planning and implementation. The meeting confirmed that there are sufficient individuals in the Sliammon community who are interested in and qualify for training offered by the VRCA. The meeting also confirmed that the members of the Sliammon band administration would take an active role in planning and implementation. In addition a commitment was made to reach out to the neighbouring First Nations to generate interest in the training.

In a letter dated January 26, 2006, PPC summarized the status of the initiative and committed to financially supporting the project.

A number of actions followed the meeting from the search for an appropriate training site to contact with the local construction industry and updates for Sliammon's political leadership.

On March 15, 2006 Brendon Farrell visited Sliammon and toured Lund Marine, a former marine repair facility owned by the Sliammon First Nation. It was decided that the site would be a suitable facility for program deliver. In the evening PPC held a very well attended dinner meeting with project presentation in Sliammon. In attendance was a cross section of community members from children to elders including Sliammon's Chief Walter Paul. Brendon Farrell attended the event as a guest speaker to give an overview of the construction industry and its potential for young professionals. He also introduced the CORE Program.

A telephone conversation between Katrin Harry and Sliammon's Chief Walter Paul on March 28, 2006 reiterated Sliammon's commitment to the initiative and the Chief's desire to move forward.

**Next steps:**

1. Meeting between Katrin Harry and the VRCA to develop a detailed project plan and budget and to secure funding;
2. Contact with the region's construction industry to engage local employers;
3. Posting of the training opportunity, screening of applications, interviews and enrolment;
4. Implementation

It is the plan of the partners to run the first CORE program before the Summer 2006 and an additional four instalments of the course over 24 months.

**Consultation Activities with the Sliammon First Nation**

PPC and its consultants attended an information meeting with the Sliammon First Nation at their offices on November 18, 2004. The Project was introduced using video and slide presentations, followed by a detailed question and answer period. The Sliammon First Nation provided their initial feedback to the presentation; generally indicating that they will be interested to continue to receive information to allow them to have a complete understanding of all aspects of the Project. Regular correspondence has continued with the Sliammon First Nation since that time, with highlight meetings including:

- A meeting at the Sliammon Development Corporation (SDC) to review the environmental assessment process and potential economic opportunities for the Band on Feb 18, 2005 and a subsequent follow-up meeting on April 28 2005
- A March 15, 2005 meeting at the Sliammon Band Office to discuss the Project development with Sliammon Band Councillors.
- Attendance at the conference "Bringing Certainty to Aboriginal Rights and Title through Accommodation Agreements" on June 13 and 14, 2005 in Vancouver, attended by PPC personnel 9 Robert Poore ) and Davis McKenzie (SDC Board member and editor of Sliammon Newsletter)
- An Open House at the Laughing Oyster restaurant near Powell River on June 24, 2005, attended by all PPC staff, as well as Sliammon Chief Walter Paul and Councillors, as well as Band Elders. Local municipal officials also attended.
- On July 5, 2005 representatives from Sliammon First Nation were given a tour of the Project area by helicopter in order to better understand the Project location and layout;
- An interview with PPC president Donald McInnes explaining the proposed Project was published in the July 2005 issue of "Neh Motl", the Sliammon community newspaper;
- Numerous informal meetings were held with Sliammon council and band members through the months of May, June, and July 2005;
- A meeting on Aug 11, 2005 at the SDC offices to discuss the drafting of a Memorandum of Understanding between the Sliammon and PPC;
- Project update provided at a meeting on October 4, 2005 at the Town Centre Hotel, in Powell River, attended by Sliammon Chief Walter Paul and the entire Band Council;

- Open House to present training and employment opportunities on October 18, 2005 held at the Salish Center in Sliammon attended by PPC personnel and Band Members throughout the afternoon and evening.
- A meeting at the SDC office on November 3, 2005 where a motion was unanimously passed by the SDC that they should enter into a Memorandum of Understanding with PPC, which would outline their support for the Project and enter discussions regarding equity participation, job training, and opportunities development. The Memorandum will also outline how the Sliammon First Nation and PPC can work together to ensure revenue sharing between Sliammon and the province.
- On December 21, 2005 PPC President, Donald McInnes and Robert Poore conducted a project presentation with Louise Dominick, the Sliammon Education Coordinator and 15 Sliammon youth interested in job opportunities around the Project. Following a question and answer session PPC committed to establishing a first aid training program as part of developing on reserve training and information sessions to allow Sliammon youth an opportunity to obtain jobs with Project contractors.
- January and February of 2006 saw the exchange of draft MOU circulated between PPC staff and Sliammon Development Corporation with several staff meetings in Powell River and Vancouver.
- On March 15, 2006, an open house and PPC hosted dinner was held on the Sliammon Reserve. Brendan Farrell of the Vancouver Regional Construction Association attended to describe some of the associations training programs and how they could be implemented for Sliammon and Klahoose in Lund. The meeting was also attended by several Klahoose elders and Klahoose Band Members who live in Powell River and on Cortes Island. Ken Brown ( a Klahoose Band Member ) spoke to the group asking the Sliammon and Plutonic to be patient with the Klahoose. He said the Klahoose membership is anxious to see the project go forward and will be making every effort to have the Klahoose leadership support the project.

#### **Status Report with respect to the Sliammon First Nation**

The Sliammon Development Corp. is working with the company on a final version of the MOU relative to the project. This document will form the base of a contractual relationship with the Sliammon. Issues identified and solutions completed, underway or proposed are listed below:

- *Training for youth and retraining for young adults:* PPC is working with construction organizations, local training facilities, the Red Cross, service organizations and interested trades and training professionals to offer training for Sliammon Band Members. PPC has committed to attaching jobs with the project to the training initiatives.
- *Pursuit of a tax revenue sharing agreement with the Province:* PPC has agreed to assist wherever possible in assisting our equity partners in arriving at a reasonable agreement with the Province on sharing taxes paid by the project to the Provincial Government.
- *Concerns for archaeology issues, including traditional use of lands traversed by the proposed transmission line by the Sliammon First Nation in their territory:* In addition to

the work undertaken by PPC, as established by the EAO, the Company funded a traditional use Study Reconnaissance (TUS Recce) conducted by the Band which concluded there was no reason or concerns about conducting an assessment in the Sliammon traditional territory.

### **Consultation Activities with the Klahoose First Nation**

PPC has always recognized that the Project lies within the traditional territory of the Klahoose First Nation, and recognizes that the Klahoose assert aboriginal rights within this territory. In recognition of this, in June of 2003, the Company attempted to make direct contact with the Chief of the Klahoose even before it made its application to the Government of British Columbia through Land and Water BC. PPC wanted to introduce itself to the Klahoose, and begin a dialogue with the Klahoose directly, rather than have the Klahoose learn about the Project from a crown referral. PPC respect for the position of the Klahoose has not changed, and the Company very much wants to work with the Klahoose to develop a project in a manner that respects the traditional rights of the Klahoose, and provides opportunities for the members of the Klahoose First Nation.

It has consistently been the desire of PPC to have an open, direct, meaningful, two way dialogue and consultation process with the Chief, Council and membership of the Klahoose Nation. PPC is, and has always been, interested in ensuring that the Project be completed in ways that benefit the Klahoose people, and for this reason the Company has extended a number of offers of partnership in the Project to the Klahoose. At all times PPC has tried, and we intend to continue, to make all information available to the Klahoose people.

PPC, as the developer of green non-storage hydroelectric projects, feels that the successful completion of our projects will need to involve effected First Nations in not only the application phase but in the design and process phase to ensure that all impacts on First Nations peoples are recognized and minimized. PPC firmly believes that the overall environmental impact of the Project on the Klahoose can be minimized and that it can be completed for the benefit of not only PPC, but also for the Klahoose members.

Secondary auxiliary benefits can also accrue to the Klahoose in other ways, such as though job training, contracting and direct participation in the building of the Project and through the development of other economic, cultural and social opportunities and benefits.

From the beginning PPC has tried to operate and develop its Project and its relationship with the Klahoose people with this in mind. On December 18, 2004 a meeting was convened between PPC, its consultants, and members of the Klahoose leadership. The Project was introduced using video and slide presentations, followed by a detailed question and answer period. The Klahoose First Nation members provided their initial feedback to the presentation; generally indicating that they will continue to review Project information as it is available so that they may consider the



potential impacts on their people and their traditional territory. Regular correspondence has continued with the Klahoose First Nation since that time, with highlight meetings including:

- A review of the Project with PPC personnel facilitated by the Sliammon First Nation at their offices on April 28, 2005 attended by Klahoose Chief Duane Hanson and Advisor Kathy Francis, as well as Sliammon Chief Walter Paul and Councillors;
- An opportunity for PPC personnel to travel to Cortes Island and visit the Band Office on Aug 3, 2005;
- A tour of an operating run of river hydro project on the Mamquam River facilitated by PPC and attended by Klahoose Chief Duane Hanson, Kathy Francis, Darren Hansen, and Sharon Francis on Sept 27, 2005;
- A tour of the Project area by helicopter facilitated by PPC was scheduled for November 21, 2005 and was to be attended by Klahoose Chief Duane Hanson and project manager Kathy Francis, however heavy fog prevented the tour from taking place;
- On December 8, 2005 a meeting was convened in Campbell River and attended by representatives from the Klahoose First Nation, PPC, and the BCEAO. The meeting was followed by a helicopter site tour of the Project area.
- On December 14, 2005 a meeting was convened in Vancouver at the offices of the Western Canada Wilderness Committee and attended by representatives from the Klahoose First Nation and PPC. At the meeting the Klahoose presented a letter concerning the conditions under which the Klahoose would continue to participate in the Project.
- The letter dated Dec 14, 2005 by the Klahoose First Nation concerning the "Conditions of Klahoose's Continued Participation in Plutonic Power's Proposed Hydroelectric Projects in the Toba River Valley" was also submitted to the BCEAO and is part of the consultation record for the Project.
- Cortes Island Open House (see above)
- Powell River Open House (see above)
- Sliammon Open House attended by Klahoose members
- Receipt of a letter from 35 Klahoose Band Members expressing support in principal for the Project.
- A meeting at the law offices of Mandell Pinder was held on March 29 with Chief Duane Hansen, and Councillors Darren Hansen and Sharon Francis, Kathy Francis and Tim Howard from Klahoose and Donald McInnes, Robert Poore, Wendy Baker and Rosanne Kyle from PPC.
- Delivery of letter from Mr. Donald McInnes to Chief Duane Hanson via Mr. Tim Howard, dated March 29, 2006 (*Please refer to Appendix I*)
- Receipt of proposal and budget for moving forward from Klahoose attorneys.

#### **Status Report with respect to the Klahoose First Nation**

The Klahoose Chief, Council and their attorneys have indicated they wish to move on to finding common ground for the Project to move forward. The Klahoose First Nation issues identified and proposed solutions are as follows:

- *Road Access Control:* The proposed main project access road is through a Klahoose First Nation unoccupied reserve. PPC has agreed to rehabilitate the road (at a 25 million dollar construction cost) and turn the road over to the Klahoose at the end of the construction period. PPC will build gates on Band Lands and turn control of the gates over to the Klahoose at the completion of the Project.
- *Visual degradation of Montrose Creek Watershed for rafters on the Filer River:* PPC has offered to move the powerhouse into the tow of an adjacent slope in order to remove it entirely from sight. PPC has also offered to build salmon spawning beds in the tailrace of the powerhouse and construct a small hatchery to be turned over to the Klahoose at the conclusion of the project.
- *Revenue Sharing and Benefits:* PPC has offered the Klahoose an equity position in the project and has offered to provide the funding for such equity participation. PPC has also offered to consider a combination of equity and royalties in the financial package. In addition to turning over the road, the Company has offered to build a lodge in Klahoose territory for use as a project office during construction and turn it over to the Band upon project completion. PPC has also offered to pay the Klahoose a monthly road use payment and to contribute to community benefits until the project begins producing revenue. PPC has also offered to construct all buildings in such a manner so they can be turned over to the Klahoose and be used for tourism or whatever the Klahoose wish. The same access to training and jobs as mentioned in the Sliammon section is also offered to the Klahoose.

**Next steps:** PPC has offered to fund a financial consultant to assist the Klahoose in evaluating these benefits and possible business relationships. In April 2006 the Klahoose forwarded a proposal and a budget for moving forward. Plutonic, their lawyers and consultants are presently reviewing the proposal and will provide comments and suggestions in early May. The two parties will proceed from there to arrive at a mutually beneficial agreement.

#### **Consultation Activities with respect the Sechelt First Nation**

The Sechelt First Nation indicated its willingness to communicate with PPC regarding the Project after receiving the introductory letter sent July 16, 2004. However, they deferred detailed dialogue in favour of an independent First Nation discussion of the Project with the Sliammon and Klahoose. This proposed conference proved difficult to arrange, and Sechelt Chief Stan Dixon subsequently agreed to meet with PPC on October 27, 2005. The October meeting was attended by the Chief, council members, PPC personnel, and Sue Bonnyman of the BCEAO. Topics of discussion included a review of the environmental assessment process, Terms of Reference document, and economic opportunities for the Band. The meeting was preceded by a less formal discussion between Chief Dixon, Sue Bonnyman, and PPC personnel at the Independent Power Producers of BC (IPPBC) Conference in Vancouver on October 23, 2005. A follow up meeting was convened on November 9, 2005 at the Sechelt Band Office, attended by Chief Stan Dixon and other Sechelt council members, along with Sue Bonnyman of the BCEAO and

representatives of PPC and their consultants. During the meeting, the permitting process was discussed, along with updates to Project planning and engineering, specifically with reference to the area of the transmission line proposed within the Sechelt traditional territory. The Sechelt stated that they intend to sign a Participation Agreement with respect to the ongoing permitting and engineering activities associated with the Project. The Sechelt will seek government and private funding to allow for their participation, which will be used to form their Project due diligence. This in turn will move them towards a final written agreement explaining their level of involvement in the Project. A tour of the Project area by helicopter was subsequently facilitated by PPC and attended by Sechelt Chief Stan Dixon on November 18, 2005 and band member Jerome Julian.

During the month of December, PPC visited Chief and Council at a regular council meeting to discuss entering into a participation agreement. The terms and conditions of draft agreement were forwarded on Dec 20, 2005 to the Company. Subsequent to receiving the initial draft, clarification of points were made by telephone conversations between band administrators, council members, chief Dixon and staff. These terms and conditions, the role of Provincial funding and Plutonic funding of the Sechelt assessment of the EAO application, the due diligence costs of the Sechelt, how they are to be paid and what surety they bring to the process, have been the subject of discussions throughout January and February 2006.

PPC staff and staff from the EAO office are scheduling meetings for May 2006 with Chief and Council of Sechelt to determine the elements of the participation agreement and methods for moving forward on the project and finalising an agreement.

#### **Status Report with respect to the Sechelt First Nation**

The Sechelt First Nation have presented PPC with an accommodation agreement. The Province has offered funding to review the Application Documentation and PPC has offered to "top up" Provincial funding if it is required for the work. The only aspect of the Project in Sechelt territory is a 16 kilometre stretch of transmission line and substation. The Sechelt have indicated one area of concern listed below:

- *Independent Archaeological Assessment:* The EAO office will not agree to fund multiple assessments so PPC has offered to fund the Sechelt in contacting one of their own. Discussions on budget and scope will take place after an accommodation agreement is signed.

**Next Steps:** As of this writing, the funding offer by the Province has not been accepted and the Company and the EAO office are attempting to schedule a meeting with the Chief and Council to discuss provision of funding and the accommodation agreement.

#### **LETTERS AND SUBMISSIONS**

*Please refer to Appendix A for a spreadsheet record of all submissions and comments*

## MAJOR ISSUES RAISED IN COMMUNITY CONSULTATION

The following is an overview of the major comments/issues raised from the public in regards to the project (Appendix A). Each issue topic includes the Company's plans to address the issues brought forth. (*Response Activity*)

### ***Topic Area 1 - Road Access***

#### *Comments:*

- In favour of more accessibility (3 comments made)
- Concerned about more accessibility (4 comments made)

#### *Response Activity:*

- The EAO office has been advised of input to both positions and are bringing them forward at all agency meetings for consultation and policy determination prior to granting a certificate. Comments favouring more access were primarily in relation to the lower reaches of the transmission line close to Powell River and Saltry Bay. Comments expressing concern for increased access were generally made in relation to the upper Toba Valley. The road access and use will be determined by balancing wildlife concerns, fisheries and fish habitat concerns, tourism, public recreation, security and First Nations requirements. Although the Plutonic is proposing to fund the rehabilitation of the road, the Company is not in a position to determine access or road use schedules. Those functions remain the prerogative of the Provincial Government and the Klahoose First Nation.

### ***Topic Area 2 combined with Topic Area 6 on page 25***

### ***Topic Area 3 – Investigation of other means to fill energy needs with lower impact***

#### *Comments:*

- Interest in investigation of other alternative power sources, e.g. tidal, wind that may be of lower environmental impact.
- Can the projected energy needs of BC be met by energy conservation strategies?

#### *Response Activity:*

- Although both of these questions are out of scope for the Project, the attached document from BC Hydro entitled *Challenges and Choices, Planning for a Secure Energy Future* (Appendix B), *The Sage Report to the British Columbia Progress Board* (Appendix C) and *The BC Energy Plan* (Appendix D), provide some answers to these concerns. These documents detail the mix of supply and conservation plans for British Columbia.

*Additional Comment:* In order to deliver the same power provided by the East Toba and Montrose project, a wind farm consisting of approximately 250 units (assuming 1 MW wind towers) would be required. Such a wind farm would have a footprint of approximately 12,500 acres (assuming 250 turbine array with 50 acre spacing) as compared to approximately 240 acres (80 hectares) for the project. In addition, a similar transmission line would still be required to interconnect such a project with the grid. Tidal power also has great potential but is presently at a pre-commercial stage and is too costly to generate the levels of power required to be economic. Even if viable, similar transmission lines would be required to get the electricity to the BC power grid.

***Topic Area 4 - Protection of Sunshine Coast Trail and other existing recreational trails and facilities.***

*Stakeholders:*

- Climbers Access Society, Powell River, BC
- PRPAWS, Powell River, BC
- Community Advisory Group Stillwater, Powell River, BC

*Response Activity:*

- The main concern of these groups was in relation to the spraying of herbicides in the transmission line corridor. PPC has committed to not do so under any circumstances. Vegetation in the transmission corridor will be controlled manually rather than through chemical controls. The Climbing Club also had a concern about transmission lines running directly over their camping grounds. PPC staff and engineers visited the site and have committed to siting pole placements to have a minimal effect on the Climbing Club's facilities. Concerns relative to hiking trails relate primarily to minimizing views of the transmission line from hiking trails and minimizing the number of times the two intersect. PPC has made a commitment to involve the interested parties with our engineering staff to review maps of the final proposed route and to walk the trails in order to select pole placements on the ground that will minimize view corridors to transmission lines.

*Invasive Plants:*

In order to reduce or avoid impacts associated with the introduction of invasive weed species to forest habitats, PPC will ensure that contractors adhere to the following best management practices:

- Establish roads to required dimensions, not larger
- Travel to remain on established roads
- Rehabilitate unused road sections
- Minimize soil disturbance and erosion

Vegetation clearing will be minimized by carefully flagging and restricting clearing to those areas under the transmission line right-of-way and buffer areas. Construction

workers will be instructed to keep machinery in these areas, to minimize damage to surrounding vegetation and to minimize soil exposure where possible.

All construction vehicles used on the project will be thoroughly washed before their arrival by barge to the Toba area. Special attention will be paid to wheel wells, tire treads and tracks where mud and seeds may be lodged.

As most of the required access to project components will rely on previously disturbed and active road networks, incremental changes to plant associations, specifically invasive species, is expected to be minimal.

### ***Topic Area 5 – Environmental***

#### *Comment:*

- Concerns regarding impact on old growth forest and old growth managements zones.

#### *Response Activity:*

- Old Growth Management Zones (OGMAs) have been identified within the preliminary transmission alignment. Where possible, the transmission line will be re-aligned during detailed design to avoid OGMAs, or to minimize the impact to them. Where impacts to OGMAs cannot be avoided, compensatory planning will be undertaken with the Province to provide no net loss to the old growth management zones.

#### *Comment:*

- Concerns regarding impact on fish habitats, salmon etc.

#### *Response Activity:*

- The project offers a sound layout from an environmental perspective with minimal disturbance to fish and aquatic habitat. Both facility intakes are sited in non fish-bearing reaches, and their respective powerhouse and tailrace locations will be located at the upper limit of fish utilization in both watersheds. Both diversion sections are sited in steep confined reaches with limited food production. The powerhouse sites will be set back from adjacent watercourses to minimize riparian disturbance and potential sediment transport to adjacent watercourses during construction. The access roads and transmission corridors affect what are largely previously disturbed areas.

Where possible, PPC may look to enhance fish habitat during the construction and road rehabilitation phase. For example, where opportunities exist, fish passable culverts may be used in road rehabilitation to open areas where fish habitat is currently blocked.

Instream Flow Requirements (IFRs) at the intake locations are recommended to maintain primary and secondary production in the diversion sections. Residual impacts identified on the access road alignment and at the powerhouse tailrace facilities are addressable through fish habitat compensation, such that no net residual impacts are anticipated. No significant net residual impacts to fish and fish habitat are anticipated with appropriate mitigation for instream flows and Best Management Practices (BMPs) concerning

sediment control during construction. (Please also refer to *Appendix E - Ministry of Environment review comments on surface hydrology and instream flow requirements – March 1, 2006*)

*Comment:*

- Opposed to any disturbance of the pristine watershed in the Montrose Creek area by industrial activity

*Response Activity:*

- The entire Toba River watershed is an area of 181,000 hectares , disturbed areas in the watershed ( logging and fires) amounts to 25,000 hectares , the footprint of the proposed works is 16 hectares. The Montrose Creek area had a road built into it from the Toba River in the 1940's. The Filer valley floor was logged right up to the mouth of Montrose Creek. (See *Appendix F – Tricouni Forest Management memo – March 30, 2006*)

*Comment:*

- Concern about water supply, snow levels, global warming, seasonal sufficiency of water flow and feasibility

*Response Activity:*

- All of these concerns are addressed by the Provincial and the Federal Government agencies responsible for compliance with best practices in their areas of concern and will be addressed by the PPC as determined by the EAO process.

*Comment:*

- Concerns that the current environmental assessment is not detailed enough, does not go far enough and does not include future expansion.

*Response Activity:*

- Comments about the EAO process and the environmental assessment were collected by the EAO during the terms of reference review period and have been included in the process where the EAO felt warranted. PPC has agreed to fund Klahoose First Nation studies of the cumulative effect of proposed projects in their territory over and above the work as stipulated by the EAO.

Input to the scope, depth, and breadth of the environmental and socio-economic assessment was solicited from Provincial and Federal agencies, First Nations, and the public. The level of detail provided within the EA process was arrived at through consensus amongst these stakeholders, and as such, is generally held to be appropriate.

*Comment:*

- Concerned about use of chemical herbicides to maintain transmission lines right of way.

*Response Activity:*

- PPC has confirmed to the EAO that herbicides will not be used at all in transmission line construction or maintenance. Vegetation in the transmission corridor will be controlled manually rather than through chemical controls.

*Comment:*

- Concerns about visual impacts in Toba/Montrose due to logging, transmissions line, powerhouse, road construction etc.

*Response Activity:*

- Generally, project components will have small footprints, within the scale of the Toba Valley. Wood pole transmission lines will, for much of the alignment, fall below tree height. Nevertheless, sensitive viewsapes have been identified near the confluence of the Filer River with the Toba River. At this location, aesthetic modeling will be conducted to provide a model of anticipated impacts to stakeholders and act as a platform from which to better define mitigation opportunities. Mitigation activities may include location of transmission lines, location and design of the powerhouse and location of fish enhancement areas.

*Comment:*

- Concerns about impact of rock blasting

*Response Activity:*

- PPC will act in full compliance with the EAO requirements relative to all aspects of project construction procedures and scheduling.

Confining blasting activities to the period between July 1 and October 31 will minimize impacts on goats using the adjacent Goat Winter Range areas. Loud construction noises may commence as early as May 31<sup>st</sup> if a helicopter survey of the goat winter range within 500 m of the construction area is completed prior to the onset of blasting and goats are not using the areas as a natal range (e.g. no nannies and kids observed). Following the above mitigation measures will result in a low impact on all focal species.

To minimize impacts on focal species due to disturbance from construction-related noises, only the required amount of explosives will be used and protective mats will be required during blasting to reduce noise. When possible, loud construction-related noises such as blasting will be avoided during the breeding bird season (April 1 to July 31).

The Surface Water Quality and Sediment Control Plan and Water Quality and Quantity Monitoring Plan will include measures to minimize the exposure of blasting residues to water. If necessary, contaminated runoff will be collected to prevent the direct introduction of ammonia and other nitrogen compounds to the aquatic environment.

An Outdoor Recreation Use Management Plan will be designed and implemented with the understanding that much, if not all, of the area within the project footprint may be accessed by outdoor enthusiasts. The Plan will provide detailed protocols regarding the



management of blasting zones and other potentially hazardous construction activities, through proper notification and effective signage

*Comment:*

- Concerns about impact on species at risk (no specific species mentioned)

*Response Activity:*

- During the intensive field and mapping studies, species of concern were identified that may occur within the project proposed footprint. These species include:
  - Marbled Murrelet – Provincially red-listed, and listed on Schedule 1 (of concern) of the Species at Risk Act (SARA)
  - Grizzly Bear - Provincially blue-listed and listed on Schedule 1 (of concern) of the Species at Risk Act (SARA)
  - Red-legged frog - Provincially blue-listed and listed on Schedule 1 (of concern) of the Species at Risk Act (SARA)
  - Tailed frog - Provincially blue-listed and listed on Schedule 1 (of concern) of the Species at Risk Act (SARA)
  - Great Blue Heron – Provincially blue-listed
  - Band tailed Pigeon - Provincially blue-listed
  - Western toads – listed on Schedule 1 (of concern) of the Species at Risk Act (SARA)

PPC is working closely with specialist wildlife researchers as well as senior level provincial and federal government biologists to ensure that impacts to these and all wildlife are avoided where possible. PPC has issued numerous commitments to mitigate potential impacts, including those listed below.

Disturbance Due to Construction Noise

To minimize impacts on focal species due to disturbance from construction-related noises, only the required amount of explosives will be used and protective mats will be required during blasting to reduce noise. When possible, loud construction-related noises such as blasting will be avoided during the breeding bird season (April 1 to July 31). Nests and roosts of priority bird species, as well as those of Osprey and Great Blue Heron (which are also protected species), found in close proximity to construction areas will be reported to the environmental monitor, and appropriate set-back buffers for disturbance, using Best Management Practices (BMPs), will be applied. When possible, construction activities within 50 m of the stream margin will be avoided between April 1 and July 31 to minimize impacts on Harlequin Ducks. Alternatively, a Harlequin Duck breeding season survey may be completed in the study area prior to construction to determine whether the species is nesting within or immediately adjacent to the construction areas. Confining blasting activities to the period between July 1 and October 31 will minimize impacts on goats using the adjacent Goat Winter Range areas.

Loud construction noises can commence as early as May 31<sup>st</sup> if a helicopter survey of the goat winter range within 500 m of the construction area is completed prior to the onset of blasting and goats are not using the areas as a natal range (e.g. no nannies and kids observed). Following the above mitigation measures will result in a low impact on all focal species.

#### Habitat Loss Due to Vegetation Clearing

To minimize the disturbance of priority species, riparian vegetation clearing will be limited to the footprints only, and wildlife trees will be retained when possible. When possible, vegetation clearing will take place outside of the breeding bird season (April 1 to July 31) where possible, to prevent disturbance of bird nests, as per requirements under Section 34 of the BC Wildlife Act. To minimize the impact of loss of habitat for focal species, disturbed areas, such as lay-down sites, will be re-planted with native species, and coarse woody debris will be added to disturbed areas if required. Snags will be created in some areas where mature forest has been cleared by topping some large diameter conifer trees (preferably Douglas-fir) in suitable spots along the road. When possible vegetation along the road edges will be maintained, especially in areas where clearing may provide un-obstructed views of open areas (wetlands) to provide some security for wildlife. Following the above mitigation measures will ensure a low impact on most species, however residual impacts to amphibians due to road upgrades in flooded sections are anticipated.

#### Habitat Degradation Due to Siltation

To minimize siltation release within creeks and rivers in the study area, Best Management Practices (BMPs) for in-stream works will be followed during construction to minimize the extent of sediment release. Following this mitigation measure will ensure a low impact on tailed frogs.

#### Mortality Due to Vegetation Clearing

To minimize the risk of amphibian mortality due to construction machinery during vegetation clearing, congregations of toadlets, or other amphibians, will be reported to the environmental monitor. Clearing and construction in known amphibian breeding areas will be avoided until the toadlets/juvenile amphibians have dispersed. Following the above mitigation measures should ensure a low impact on these species.

#### Disturbance Due to Helicopter Flights

To minimize disturbance of Peregrine Falcons any active nest site will be reported to the environmental monitor and the pilot will be instructed to avoid flying close to the area. In addition to falcon nests, the pilots will be instructed to avoid unnecessary flights within 500 m of any Goat Winter Range between October 31 and May 1. Furthermore, pilots will be instructed to avoid approaching any goats sighted while working. Following the

above mitigation measures will ensure a low impact on Peregrine Falcons and mountain goats.

#### Disturbance Due to Road Traffic

Existing roads will be utilized but placement of some sections of the new roads will be near high quality bear habitat. As mentioned above, dense roadside vegetation will be maintained where possible, as it may be an important requirement for grizzly bears to successfully cross low volume (low traffic) roads and may provide security from road related disturbances (Gibeau and Stevens, 2005). Public access is limited due to the remoteness of the area, but gates will be placed along sections of the road to limit non-construction related traffic. Furthermore, the contractor will be encouraged to use as few vehicles as necessary, with multiple people per vehicle. Disturbance due to road traffic will be different depending on the season, but the overall impact is expected to be low.

#### Mortality Due to Road Traffic

As mentioned above, public access is limited due to the remoteness of the area, and gates will be placed to limit traffic. The contractor will also be encouraged to use as few vehicles as necessary, with multiple people per vehicle. Roadkill and other possible attractants will be removed from the edge of the road and food scraps will be collected for proper disposal. A log book will be kept to record locations of wildlife and the environmental monitor will inform drivers of road sections where wildlife frequent. Construction crews will adhere to a safe speed limit in order to reduce the risk of mortality. Following the above mitigation will ensure a low impact on grizzly bears and mountain goats.

#### Problem Animal Mortality

Preventative measures should be used to avoid creation of problem bears. Crews will participate in a Bear Aware training program, and will be instructed to refrain from feeding bears. Food scraps and garbage from construction sites will be removed, with the waste transported back to the camp or other appropriate area for proper disposal. Work crews will be prohibited from hunting and cleaning game in the Project area. Nuisance bears will be reported to a Conservation Officer and firearm possession will be limited to one person per construction area, for emergency defence only. A Bear Management Plan will be developed to provide clear procedures for handling bears that wander onto construction sites. Following the above mitigation measures will result in a low impact on grizzly bears.

#### Increased Hunting Mortality

To reduce the risk of increased hunting mortality for bears and goats, crews will be prohibited from hunting in the Project area. In addition, the proponent will install gates to limit motorized access to some of the project area. Following the above mitigation measures will result in a low impact on the above species.

Additionally, during both the construction phase and operation phase, PPC will adhere to a Wildlife and Vegetation Monitoring Plan.

The Wildlife and Vegetation Monitoring Plan will provide guidance regarding the regular and precise logging of wildlife sightings and encounters during the course of construction and operation. Vegetation monitoring, with respect to this Plan, will focus primarily upon vegetation as a habitat source for wildlife. Wildlife habitat monitoring protocols will be outlined along with mitigation measures, which will ensure the protection of any habitat that was not already identified and avoided during the Project design phase. The following Acts will provide some direction regarding the development of this Plan: the *Federal Species at Risk Act*, and the *Migratory Birds Conventions Act*.

*Comment:*

- Concerns about impact on grizzly habitat (also concerned about increased access for hunters)

*Response Activity:*

- Although there is no legal harvest for grizzly bears in the project area, there are legal spring and fall hunting seasons for black bears, limited entry for elk, and legal hunting of mountain goats, deer and other game in various seasons. Access will be greatly limited along much of the transmission line corridor, except in areas where the line runs parallel to an existing road, primarily in the southern portion of the project area, in TFL 39. Furthermore, the vegetation under the transmission lines (within the 40 m right-of-way) will be maintained at two metres in height, providing security cover to a number of species. The transmission line will be constructed along a number of roads in TFL 39 and some access roads will need to be upgraded. However, based on project and provincial studies, grizzly bears are not anticipated in the area.

The increased risk of hunting mortality is expected to have low impact. Access gates along the main Toba access road will discourage vehicular traffic from reaching parts of the transmission line corridor within the Toba drainage. Any temporary track created during construction will be removed, further limiting access to sections of the right-of-way.

A Human – Bear Conflict Management Plan will be developed to define the preventative measures to be put in place for construction crews to limit bear disturbance and mortality. The plan will also serve to reduce risks to the crew from bears. All crew will be provided with a Bear Aware training program, and will be instructed to refrain from feeding bears. Food scraps and garbage from work sites will be removed, with the waste transported back to an appropriate area for proper disposal. Work crews will be prohibited from hunting and cleaning game in the project area. Nuisance bears will be reported to a Conservation Officer and firearm possession will be limited to one person per construction area, for emergency defence only.

*Comment:*

- Concerns about impact on river flows

*Response Activity*

- Flow reductions will occur in the East Toba River and Montrose Creek between the intake and powerhouse locations. Both facility intakes are sited in non fish-bearing reaches, and their respective powerhouse and tailrace locations will be located at the upper limit of fish utilization in both watersheds. Both diversion sections are sited in steep confined reaches with limited aquatic food production. Instream Flow Requirements (IFRs) at the intake locations are recommended to maintain primary and secondary production in the diversion sections. The designated IFRs will ensure that the shape of the natural hydrograph is maintained, and that sufficient water remains in each drainage to maintain ecological processes. As a run of river project, all of the water used for power generation will be returned to its stream at the powerhouse, avoiding any downstream alterations to water flow.

The powerhouse sites will be set back from adjacent watercourses to minimize riparian disturbance and potential sediment transport to adjacent watercourses during construction. The access roads and transmission corridors affect what are largely previously disturbed areas, and are not expected to impact any stream flows.

***Topic Area 2 and 6 - Aboriginal Rights and Title, First Nations Involvement***

*Comment:*

- Klahoose First Nations needs to be able to conduct independent EA

*Response Activity:*

- The EAO office has offered to provide the Klahoose with funding to complete a review of the Application. The EAO funding to the Klahoose has been accepted. PPC has committed to "top off" this funding if required.

*Comment:*

- Respect Klahoose First Nation's wishes re. Filer Creek/Montrose. Will not support project until Klahoose First Nation is in favour.

*Response Activity:*

- PPC has received a qualified positive response from all First Nations Band members attending open houses. Band members always qualified their support for involvement and participation by saying they do not want to do anything to compromise treaty or rights and title discussions, but do want to move forward economically and with job creation and capacity building.

PPC has recently received a letter signed by Band Members and Elders indicating approval in principal of the project and their desire to participate in the project and dissatisfaction with lack of inclusion in the process by their leadership. We have included the body of this letter that was initially received from Ken Brown (a Klahoose Band Member) during the public response period with signatures attached. We have received subsequently, by FAX, several additional copies of this letter with additional signatures. The total number of signatures now exceeds 39. We have not included the signatures pages in order to respect the privacy of those who signed the letter. (*Appendix G – Letter to Mr. McInnes from Klahoose Members – unsigned version – undated, received February 20, 2006*)

*Comment:*

- How are treaty rights impacted? Treaty should be settled before projects proceeds.

*Response Activity:*

- Out of the scope for PPC. See attached letter from the EAO on this issue. (*Appendix H – Letter from Sue Bonnyman – April 21, 2006*)

*Comment:*

- Meaningful participation of First Nations, e.g. revenue sharing, equity partnerships etc. is essential.

*Response Activity:*

- PPC has conducted their affairs with First Nation in such a manner as to be considered the "Gold Standard" of First Nations inclusion in our project plans. This is fully delineated in other sections of this submission but a concise overview of the benefits and proposed working relationship with the Klahoose is contained in a letter presented to Chief Duane Hanson and his Council on March 29, 2006. see attached

*(Please refer to Appendix I – Letter from Mr. Donald McInnes to Chief Duane Hanson via Mr. Tim Howard - March 29, 2006)*

*Comment:*

- Concerned about lack of consultation with Klahoose First Nation

*Response Activity:*

- Since the first contact with the Klahoose in 2004, PPC has offered to travel to Cortes Island, Campbell River, Powell River and Vancouver to meet with the Klahoose and deliver presentations, provide benefits options, provide revenue sharing proposals and host open houses and 'Question and Answer' sessions regarding the Project. This offer has been extended at every possible opportunity since November of 2004 by PPC and the EAO office, and said offers documented with the EAO. (See Consultation with Klahoose section in the Background section of this report.) It is inappropriate on one

hand refuse to take a meeting and then on the other indicate there is a lack of consultation.

#### **Topic Area 7 – Long Term Impacts**

*Comment:*

- What will happen in the future? Will the project be expanded and further impact the area?

*Response Activity:*

- PPC has no additional water rights in the Klahoose traditional territory on which to build further projects. There is the potential to link projects in the Bute watershed to the Toba/Saltry Bay transmission line with additional transmission lines. PPC has agreed to fund an impact assessment of those lines for the Klahoose Band if future projects in the Bute Inlet area are to proceed.

*Comment:*

- What if the proponent sells the project to another corporation in the future?

*Response Activity*

- The operating company owning the project will be a publicly traded company. By owning part of the equity in the project, the Klahoose, and other First Nations, can independently decide whether to sell their shares if such a situation arises. Agreements on revenue sharing and any agreements on tax revenue sharing will remain in the event of a sale. Other First Nations on other projects have asked for and obtained right of first refusal on project purchases and the same offer will be made to First Nations involved in this project

#### **UNIQUE ASPECTS OF LETTERS**

**Letter from Sedley and Trude Sweeny undated, stamped received on January 26, 2006:**

Detailed analysis of wildlife and fishery habitat supports the assessment conclusion that impacts will be low to these resources.

The majority of the project facilities will be situated in non fish bearing sections of both Montrose Creek and East Toba River. Both of these rivers have significant waterfalls close to their mouths that prevent fish from moving upstream. No resident fish were detected above each set of falls, after directed survey and effort.

The road alignment currently exists, as a remnant of the significant forestry activity that took place over several decades in the Toba Valley. Although it has early serial cover (aiders), the road prism and bridge structures remain in near-useable condition. As a result of superimposing the

proposed hydro project on pre-existing infrastructure, incremental impacts will be avoided, and the overall impact to resources such as wildlife and wildlife habitat will be minimized. Some aspects of the road rehabilitation are in fact expected to have positive impacts to natural resources. For example, several instances of collapsed culverts and stream crossings were identified during field road reconnaissance. These existing blockages prevent several fish species from using good quality fish habitat upstream. As part of the road rehabilitation, the blockages will be replaced using fish-passable culverts, thereby expanding useable fish habitat in the valley.

PPC understands your argument that the valley possesses intrinsic value that is difficult to quantify or equate with a dollar figure. As a developer of renewable energy projects, PPC shares this perspective, but has approached the issue from a Provincial and even global scale. PPC considers the replacement of non-renewable (brown) fuel sources that contribute to global warming, with renewable energy sources, such as run of river projects, to be of paramount consideration, as global warming is recognized as the largest current threat to our planet.

**Cortes Open House comments from Mr. Willem Ophoff:**

Current hydrology estimates indicate that sufficient water will be available within the anticipated lifespan of the project (80 to 100 years). Both the Montrose and East Toba watersheds have significant glacier coverage in their upper drainage, which, along with annual snowpack and coastal precipitation, contribute to the available water in the rivers.

Global warming and the effects it may have on climate have been considered in the design of the project to the extent possible, and PPC is confident that the project will be viable year round and for the life of the project.

**Email from Mr. David Shipway dated January 29, 2006:**

Global warming is a serious environmental issue that will likely have far-reaching impacts on the planet. PPC, as developer of renewable energy, is acutely aware of this. The specific impacts on climate change to surface hydrology (or hydroclimatology) are studied in great detail at many research facilities around the world. Much of this information is available to the public.

The photo referenced in your letter may illustrate that glacial melting is rapid relative to the geologic past. However, other factors must be considered. The extent of glacier losses in general cannot be determined and should not be extrapolated from one photo. For example, as is evident in the photo foreground, the glacier has carved a sheer rock face into the valley sidewall. This face does not present an opportunity for reforestation, and therefore the fact that the vertical distance between the current glacial mass and the treeline is great does not necessarily indicate that the glacial retreat has been exceptionally rapid.

However, PPC agrees with your assertion that global attention to this phenomenon is required, and the efforts to reduce the negative effects of climate change, such as reduction in fossil fuel reliance and power consumption, should be championed. By developing renewable non polluting energy projects, PPC feels it is greatly contributing to reducing the negative impacts of global warming.



**Letter from Ms. Liz Richardson dated March 2, 2006**

The study program for wildlife and vegetation was developed in consultation with specialists from the Canadian Wildlife Service, Environment Canada, and the Ministry of Environment, among others. The developed program was published in the Terms of Reference approved by the Environmental Assessment Office (EAO). The work included a large component of on the ground field plots over the entire project footprint. A map of the most recent plots is provided as an attachment (*see Appendix J – Field Work Plots, Summer 2005 Map*). You may also be interested to know that Klahoose band members were participants in the field study.

The Project is deemed to have low incremental impacts to wildlife and vegetation primarily because much of the infrastructure is already present. This includes the access road within the Toba Valley. Because very little new construction is planned in undisturbed locations, the impacts to red or blue listed plant species was not considered to be great. However, your point is well taken that no explicit mention of protection for listed plant species is provided in the Application. In Section 12.2 of the Application, PPC commits to the development of a Wildlife and Vegetation Monitoring Plan. Your comments will be addressed more fully in the Plan, where a discussion of protection methods for listed plant species will be included.

**Email from Mr. Brian Smart dated February 24, 2006**

*Please see response letter in Appendix K – Letter response from PPC to Mr. Brian Smart – May 8, 2006.*

**Letter from Cascadia Forest Products dated March 2, 2006**

*Please see response letter in Appendix L – Letter response from PPC to Cascadia Forest Products, May 3, 2006.*

**Letter from Mr. Greg Ferguson dated March 2, 2006**

*Comment:*

Klahoose First Nation rights

*Response Activity:*

This is out of the scope for the Company. See refer to the attached letter (*Appendix H – Letter from Sue Bonnyman – April 21, 2006*) from the EAO on this issue.

*Comment:*

Significance of local stakeholder comments

*Response Activity:*

Stakeholder comments and observations figure in design decisions and project configuration changes from power house positioning and structure to transmission line routing. Stakeholders local knowledge and accumulated data and records have played a significant role in the decision making process on several aspects of the project as well as providing input to wildlife and forest management.

*Comment:*

Lack of consultation with stakeholders

*Response Activity:*

All stakeholders who made enquiries at public meetings, submitted written comments via internet or mail or responded to advertisements in local media with written or telephone enquiries have had their concerns addressed directly and via this posting of responses. Several groups have had multiple meetings with project management and continue to do so. As a result of those actions, several stakeholders will be directly involved in the construction aspects of the project and will continue to provide input in decision making and establishment of design parameters. These groups and the public at large will receive continuous updates on the project via web site postings on the Toba Montrose website ([www.tobahydro.com](http://www.tobahydro.com)), as well as the Plutonic and Knight Piesold web sites and several individuals are already letting their thoughts be known to project management by e-mail and telephone requests.

*Comment:*

Protection of wildlife

*Response Activity:*

During the intensive field and mapping studies, species of concern were identified that may occur within the project proposed footprint. These species include:

- Marbled Murrelet – Provincially red-listed, and listed on Schedule 1 (of concern) of the Species at Risk Act (SARA)
- Grizzly Bear - Provincially blue-listed and listed on Schedule 1 (of concern) of the Species at Risk Act (SARA)
- Red-legged frog - Provincially blue-listed and listed on Schedule 1 (of concern) of the Species at Risk Act (SARA)
- Tailed frog - Provincially blue-listed and listed on Schedule 1 (of concern) of the Species at Risk Act (SARA)
- Great Blue Heron – Provincially blue-listed
- Band tailed Pigeon - Provincially blue-listed
- Western toads – listed on Schedule 1 (of concern) of the Species at Risk Act (SARA)

Plutonic is working closely with specialist wildlife researchers as well as senior level provincial and federal government biologists to ensure that impacts to these and all wildlife are avoided where possible. Plutonic has issued numerous commitments to mitigate potential impacts, which are listed above in Topic 5.

*Comment:*

Expansion of the Green Power Corridor

*Response Activity:*

The other "Green Power Corridor" projects are currently in the conceptual stage. If these projects are found to be economically and technically viable, they may be entered into the EAO process in the future, at which time they will be evaluated and assessed on an individual basis.

*Comment:*

Access to Toba Valley

*Response Activity:*

The EAO office has been advised of input to both positions for and against increased access to the Toba valley, and are bringing them forward at all agency meetings for consultation and policy determination prior to granting a certificate. The road access and use will be determined by balancing wildlife concerns, fisheries and fish habitat concerns, tourism, public recreation, security and First Nations requirements. Although the PPC is proposing to fund the rehabilitation of the road, the Company is not in a position to determine access or road use schedules. Those functions remain the prerogative of the Provincial Government and the Klahoose Band (in sections where the road passes through their reserve lands.)

*Comment:*

Threat to local vegetation

*Response Activity:*

Invasive Plants

In order to reduce or avoid impacts associated with the introduction of invasive weed species to forest habitats, PPC will ensure that contractors adhere to the following best management practices:

- Establish roads to required dimensions, not larger
- Remain travel on established roads
- Rehabilitate unused road sections
- Minimize soil disturbance and erosion

Vegetation clearing will be minimized by carefully flagging and restricting clearing to those areas under the transmission line right-of-way and buffer areas. Construction workers will be instructed to keep machinery in these areas, to minimize damage to surrounding vegetation and to minimize soil exposure when possible.

All construction vehicles used on the project will be thoroughly washed before their arrival by barge to the Toba area. Special attention will be paid to wheel wells, tire treads and tracks where mud and seeds may be lodged.

As most of the required access to project components will rely on previously disturbed and active road networks, incremental changes to plant associations, specifically invasive species, is expected to be minimal.

*Comment:*

Loss of Old Growth Forest

*Response Activity:*

Old Growth Management Zones (OGMAs) have been identified within the preliminary transmission alignment. Where possible, the transmission line will be re-aligned during detailed design to avoid OGMAs, or to minimize the impact to them. Where impacts to OGMAs cannot be avoided, compensatory planning will be undertaken with the province to provide no net loss to the old growth management zones.

*Comment:*

Loss of habitat

*Response Activity:*

Habitat Loss Due to Vegetation Clearing

To minimize the disturbance of priority species, riparian vegetation clearing will be limited to the footprints only, and wildlife trees will be retained when possible. When possible, vegetation clearing will take place outside of the breeding bird season (April 1 to July 31) where possible, to prevent disturbance of bird nests, as per requirements under Section 34 of the BC Wildlife Act. To minimize the impact of loss of habitat for focal species, disturbed areas, such as lay-down sites, will be re-planted with native species, and coarse woody debris will be added to disturbed areas if required. Snags will be created in some areas where mature forest has been cleared by topping some large diameter conifer trees (preferably Douglas-fir) in suitable spots along the road. When possible vegetation along the road edges will be maintained, especially in areas where clearing may provide un-obstructed views of open areas (wetlands) to provide some security for wildlife. Following the above mitigation measures will ensure a low impact on most species, however residual impacts to amphibians due to road upgrades in flooded sections are anticipated.

PPC would like to thank all those who attended the open house information sessions held in January, February and March 2006. The Company would also like to thank those who took the effort to comment on the project. We trust that our responses have adequately addressed your concerns. If you have any further questions regarding the project, please do not hesitate to contact us.

## APPENDICIES

Public Comments Spreadsheet	Appendix A
Challenges and Choices: BC Hydro Report	Appendix B
Sage Report on Electricity	Appendix C
The BC Energy Plan	Appendix D
Ministry of Environment review comments on surface hydrology and instream flow requirements – March 21, 2006	Appendix E
Tricouni Forest Management Memo – March 30, 2006	Appendix F
Letter to Mr. Donald McInnes from Klahoose Members	Appendix G
Letter from Ms. Sue Bonnyman regarding treaty process – April 21, 2006	Appendix H
Letter from Mr. Donald McInnes to Chief Duane Hanson – March 29, 2006	Appendix I
Field Work Plot Locations Summer 2005	Appendix J
Response Letter from PPC to Mr. Brian Smart – May 8, 2006	Appendix K
Response Letter from PPC to Cascadia Forest Products – May 3, 2006	Appendix L