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**JUL 07 2015**

ENV1283MC-2014-805

Mr. Mark Holmes  
President  
Xeneca Power Development Inc.  
5255 Yonge Street, Suite 1200  
North York, ON  
M2N 6P4

Dear Mr. Holmes:

RE: Part II Order Request – Marter Township Generating Station

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On March 14, 2014 the Minister of the Environment received one Part II Order asking that Xeneca Power Development Incorporated (Xeneca) be required to prepare an individual environmental assessment for the proposed Marter Township Generating Station Project (Project).

During the class environmental assessment (Class EA) process for the Project, the ministry's technical reviewers raised concerns regarding the potential impacts of the Project on water quality and human health. Based on the ministry's review of the Environmental Report, Xeneca has failed to meet Class EA requirements. Please see the attached memorandum dated April 14, 2015 which identifies concerns remaining with the Project including minimum flows, potential methyl-mercury impacts and the Class EA process.

Under Section 13 of the Environmental Assessment Act (EAA), a proponent of an undertaking subject to a Class EA shall not proceed with the undertaking unless the proponent does so in accordance with the Class EA (in the alternative, the proponent may carry out an individual environmental assessment). Since ministry staff reviewed the Project's Environmental Report and determined that the Project was not planned in accordance with the requirements of the Ontario Waterpower Association's Class EA for Waterpower Projects, the Minister of the Environment is unable to consider the Part II Order requests at this time.

In order to correct these deficiencies, I am advising Xeneca to:

1) Contact the ministry's Northern Region to determine what further baseline

Mr. Mark Holmes

data/studies, field work, consultation and documentation is required to meet the requirements of the Class EA, as referred to in the attached memorandum.

2) Once additional work as directed by Northern Region is complete, revise the Environmental Report by re-assessing any potential effects and including appropriate mitigation and impact management measures in the Environmental Report. Any individual net effects (after mitigation) and their significance and the overall positive, neutral and negative effects of the Project should be included and documented.

3) Contact the Ministry of Natural Resources and Forestry, Fisheries and Oceans Canada and other agencies consulted as part of the Class EA to determine whether they have any comments on the additional work and revised findings.

4) Finalize a revised Environmental Report and issue a new Notice of Completion, making the Environmental Report available for a 30 day public, Aboriginal community and agency review period.

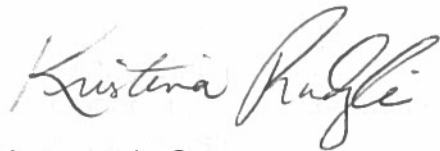
5) Provide a copy of the revised Environmental Report and the Notice of Completion to this Branch and the ministry's Northern Region office when the Notice of Completion is issued.

If Xeneca completes the above steps, the ministry will advise the requester that there is an opportunity to submit a Part II Order request. The ministry will review any requests received after the re-issuance of the Notice of Completion. I encourage Xeneca to continue to work with the requester in attempt to address the concerns raised in the Part II Order request.

Ministry staff would be pleased to meet with Xeneca to discuss the Project and to ensure Xeneca meets its obligations under the EAA. Please contact Rosanna White at 705-564-7171 or email [rosanna.white@ontario.ca](mailto:rosanna.white@ontario.ca) to arrange a meeting or for clarification on the contents of this letter and attachment.

Thank you for your co-operation.

Yours sincerely,



for

Annamaria Cross  
Manager  
Environmental Assessment Services Section

Enclosure: technical memorandum

c. EA File  
P. Allen, Supervisor, Northern Region MOECC