

Ministry of the Environment
and Climate Change

Ministère de l'Environnement
et de l'Action en matière de
changement climatique



Office of the Minister

Bureau du ministre

77 Wellesley Street West
11th Floor, Ferguson Block
Toronto ON M7A 2T5
Tel.: 416-314-6790
Fax: 416-314-6748

77, rue Wellesley Ouest
11^e étage, édifice Ferguson
Toronto ON M7A 2T5
Tél.: 416-314-6790
Télec.: 416-314-6748

ENV1283MC-2015-1953

MAY 18 2016

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

Dear Mr. Holmes:

Between September 30, 2013 and November 1, 2013, I received 19 Part II Order requests from interested persons that Xeneca Power Development Inc. (Xeneca) be required to prepare an individual environmental assessment for the proposed Wabagishik Rapids waterpower project (Project), located on the Vermillion River.

I am taking this opportunity to inform you that I have decided that an individual environmental assessment is not required. This decision was made after giving careful consideration to the issues raised in the requests, the Project documentation, the provisions of the Waterpower Class Environmental Assessment (Class Environmental Assessment), and other relevant matters required to be considered under subsection 16(4) of the *Environmental Assessment Act*. The reasons for my decision may be found in the attached letter to the requesters.

Despite my not requiring an individual Environmental Assessment be prepared, in reviewing the requests I noted that there are concerns with respect to this Project which do warrant conditions to be imposed.

Therefore, to ensure that the environment is protected, I am hereby making an order imposing the following conditions on the Project:

1. Prior to construction of the Project, a Pre-development Sampling Plan for water quality and methyl-mercury concentrations in fish tissue shall be developed by Xeneca in consultation with the Ministry of the Environment and Climate Change

(MOECC)'s Northern Region office, and completed to the Northern Region Director's satisfaction.

2. A Methyl Mercury Monitoring Program shall be undertaken by Xeneca.
 - a) Prior to construction, Xeneca shall submit a workplan for a proposed post-construction fish tissue monitoring and reporting program to the MOECC Northern Region Director.
 - b) Post-construction, Xeneca shall undertake ongoing post-construction monitoring of mercury concentrations in fish tissue in accordance with the approved monitoring program.
3. Prior to construction, Xeneca shall undertake a field reconnaissance of the proposed site to determine the risk of Acid Rock Drainage (ARD) due to the presence of sulphide minerals in the rock. The field reconnaissance shall be completed by a qualified professional (P. Geo. or P. Eng.) and shall include the following components:
 - the results of an initial "desk-top" screening from known geological mapping sources;
 - documentation of the field reconnaissance, including observations and conclusions;
 - confirmation that the field reconnaissance included areas where it is intended that rock will be removed/used for construction purposes;
 - an opinion on the risk of encountering rock with ARD potential during construction;
 - recommendations regarding any subsequent rock sampling, testing and analysis that may be necessary to confirm opinions made from the field reconnaissance; and
 - if necessary, recommendations for managing any rock with medium to high ARD potential;
4. Within three months of receiving the Minister's decision, the Proponent shall establish a Project Liaison Committee (PLC) for the Project and shall invite the Part II Order requesters to attend. The PLC shall include at least one representative from Xeneca who shall attend all PLC meetings. The PLC shall be established for the purposes of disseminating and exchanging information and monitoring results relevant to the Project during design and construction, and discussing any issues or concerns raised by PLC members.
 - b. Within four months of receiving the Minister's decision, the Proponent shall submit a workplan for the PLC to the Director, Northern Region MOECC for review. The workplan shall include:

- A description of the membership and structure of the PLC, including a list of all members;
 - A description of the PLC's mandate;
 - A description of the length of the term of the PLC; and
 - A description of how the meetings will be advertised.
5. The Proponent shall share the results of the Pre-Development Sampling Plan, the Methyl Mercury Monitoring Plan and the field reconnaissance program with the Aboriginal communities consulted during the Class Environment Assessment for the Project.
 6. Once Conditions 1-5 have been satisfied, the Proponent shall notify the MOECC's Director of the Environmental Approvals Branch and the Northern Region Director.

In the above conditions, the definition of "construction" is intended to encompass preliminary activities such as land clearing that are a necessary precondition to the Project and would include facility construction, water crossings, paving and water taking.

With this decision having been made, Xeneca may now proceed with the Project, subject to the conditions I have imposed and any other permits or approvals required. Xeneca must implement the Project in the manner it was developed and designed, as set out in the Environmental Report and inclusive of all mitigating measures and environmental and other provisions therein.

It is understood that Xeneca made a number of commitments with respect to protective measures to address environmental impacts in the Environmental Report and draft Operating Plan. In accordance with the Class Environmental Assessment, any commitments made to affected agencies or members of the public must be fulfilled and implemented as part of the Project. The Ministry of Natural Resources and Forestry has indicated that Xeneca will be required to submit further information on the Project prior to the issuance of Lakes and Rivers Improvement Act permits and approvals.

Xeneca is also encouraged to continue to consider industry best practices for facility design as it relates to climate change and the increasing frequency of severe weather abnormalities.

Mr. Mark Holmes
Page 4.

Lastly, I would like to ensure that Xeneca understands that failure to comply with the *Environmental Assessment Act*, the provisions of the Class Environmental Assessment, and the conditions of my decision, and failure to implement the Project in the manner described in the Environmental Report, are contraventions of the *Environmental Assessment Act* and may result in prosecution under section 38 of the Act.

I am confident that Xeneca recognizes the importance and value of the *Environmental Assessment Act* and will ensure that its requirements and those of the Class Environmental Assessment are satisfied.

Sincerely,

A handwritten signature in black ink, appearing to read 'Glen Murray', with a long horizontal line extending to the right.

Glen Murray
Minister of the Environment and Climate Change

Attachment

c: Requesters
Ms. Ellen Cramm, MOECC
Ms. Jennifer Telford, MNRF
EA File No 13123