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April 22, 2014

Agatha Garcia-Wright
Director - Environmental Approvals Branch
Ministry of Environment
12A Floor, 2 St. Clair Ave. West
Toronto ON M4V 1L5

Dear Agatha:

Given recent events leading up to and including the April 15, 2014 email (attached) that Xeneca received from Environmental Approvals Branch (EAB) regarding the Wabagishik Rapids Environmental Report, we feel compelled to express our profound concern that the path to Statement of Completion for the Wabagishik project will be delayed indefinitely. As such, we request your immediate intervention to ensure proper process and timely completion of the Class EA for this waterpower project.

Wabagishik Rapids, and virtually all other green-field waterpower projects initiated upon the award of FIT contracts in April 2010, have been delayed by extraordinarily complex and constantly evolving regulatory processes. The 12 to 18 month Class EA process for these projects is now on the cusp of passing the four year mark. Costs incurred by the project have soared and projects are in danger of economic collapse. That collapse will result in the loss of millions of dollars investment as well as loss of future economic opportunity for the region and for our First Nations partners.

By way of background, the Wabagishik project was submitted to agencies along with Notice of Completion (NoC) on September 30, 2013. Extension of the 33-day review period was requested by MOE and MNR, delaying the process until November 22, 2013.

Xeneca responded to all Part II Order (PTO) requests received during the EA review period and sent EAB a completed Table A for stakeholder PTO requests on December 16, 2013. Xeneca was provided advice from EAB in December 2013 that a "Table A" listing agency comments would be provided to Xeneca. However, in mid-March 2014, after several delayed meetings with MNR/MOE district and regional staff, EAB advised Xeneca to respond to MOE comments on the final ER. Xeneca responded within a week. Despite repeated requests from EAB, MNR comments were never received. After months of delay, MNR continued to delay in providing requested comments to EAB, and in April Xeneca was directed by EAB just to reply to all MNR comments.

Given the repeated requests from the OWA and individual members of the waterpower industry that agencies not cause further delay to waterpower projects and avoid repeated requests for information that has already been provided, the MNR's lack of response would appear cavalier. MOE Northern Region's subsequent reticence in moving the process forward would also seem to disregard the

significant harm that is being caused to our projects and those of others attempting to development waterpower in Ontario.

From NoC to date, almost seven months have passed, and on April 15, 2014 Xeneca received an email from MOE that further comments from the agency (on Xeneca's responses to the agency's comments on the final ER document) are forthcoming. This would imply that round after round of final ER-related questions and responses may be forthcoming. This seems far outside a normal or reasonable process.

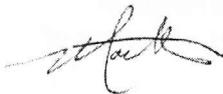
We would further note that most of the agency comments are centred on minimum flows, downstream zone of Influence and methyl mercury predictive modeling -- all of which have, at best, only partially formed policy/guidance that does not fit within the OWA Class EA. No standards or thresholds are being established by regulatory agencies, nor is there any substantive scientific evidence supporting the agency positions which are now before the Director's Resolution Committee.

Xeneca has followed the guidance of the July 6, 2013 memo from Randy Pickering (supported by MOE Northeastern Regional Director John Taylor) that directed Xeneca and other waterpower proponents to rationalize the approach to issues on which consensus could not be reached with agencies. The advice was followed and Xeneca's rationalization is supported by sound science and assessment.

To be clear, Xeneca has met or exceeded the requirements of the Class EA, and, as such, regulatory agencies must not continue to delay the process further. We ask for your immediate and direct intervention to allow Xeneca to complete the Class EA process for the Wabagishik Rapids GS project.

We look forward to your response and request the opportunity to meet at the earliest possible juncture.

Best regards,



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