

Memo



May 11, 2011

To:

Nava Pokharel

Present: Uwe Roeper (Xeneca), Patrick Gillette (Xeneca), Mark Holmes (Xeneca), Arnold Chan (Xeneca), Nava

Pokharel (Xeneca), Harvey Walsh (Genivar), Al Gereghty (Vale)

Copy:

Jim Eddy (Vale), Carolyn Hunt (Vale), Brian Koltun (Vale)

Re:

Xeneca Meeting held on May 6, 2011

Purpose of Meeting:

To discuss the technical details of issues that Vale has concerning Xeneca's proposed hydroelectric generating facility at Wabagishik Rapids on the Vermillion River. Please refer to Jim Eddy's letter, dated April 11, 2011, addressed to Mark Holmes.

Summary of the meeting:

- 1) Al stated that Harvey Walsh, of Genivar Consultants, is on the call as Genivar is performing a study at Vale's Wabagishik Generating Station (G.S.).
- 2) Arnold mentioned the desire to meet with Vale to cover land details associated with three of their proposed plants on the Vermillion River. Al will remain the Vale contact for now and Arnold will forward proposed meeting dates.
- 3) Patrick stated that Vale is a key stakeholder. As such Xenaca and Vale should explore "behind the meter" options including peak shaving opportunities. These would be subject to OPA approval. In addition he mentioned Xeneca getting involved with the Spanish Vermillion Water Management Plan. Al will talk to Bruce Richard (MNR) regarding a copy of the draft plan. Patrick talked about managing the Wabagishik Lake level through coordinated operation of both plants. A separate meeting needs to be setup for this discussion. (See also #10 below)
- 4) Uwe & Nava stated it is not their intent to affect our tailrace. Xeneca's elevation numbers are based on Lidar surveys which were completed from an aircraft.
- 5) Al stated that the tailrace elevation at Vale's Wabagishik G. S. was measured at 204.4m referred to Canadian Geodetic Datum from an Ontario land surveyor.
- 6) It was agreed that a calibration check is required. Harvey Walsh will provide a readily viewable datum point from the survey recently taken at Vale's Wabagishik G.S. Xeneca will check the elevation of the same datum point from their Lidar survey.

- 7) Xeneca stated they would share the following information with Vale:
 - a) Vermillion river profile
 - b) hydraulic report
 - c) Hec-ras model results
 - d) Draft operating plan
 - e) Hydrology study
- 8) Harvey will provide a copy of the bathymetry below Vale's Wabagishik G.S.
- 9) At a later stage Xeneca will provide a chart with river flows and corresponding tailrace levels at Vale's G.S.
- 10) Modified peaking was mentioned as a concern regarding lake levels and gross head at Vale's G.S. Xeneca stated it is not their intent to change the natural lake levels. Discussion will be required after more information is gathered.

Everyone is asked to complete their action items as indicated in the above summary.

Another meeting will be convened once the information has been exchanged and reviewed.

Thanks.

Al Gereghty

Stephanie Hodsoll

From:

Arnold Chan

nt:

Monday, May 23, 2011 11:29 PM

10:

Patrick Gillette

Cc:

Stephanie Hodsoll; Vanesa Enskaitis; Judy Leavitt

Subject:

Vale Inco Powerpoint Presentation

Attachments:

Vale Meeting re Lands Issues May 24 2011.pptx; Agenda for Meeting with Vale and Xeneca

may 2011.docx

Categories:

Public, Logged

Patrick:

Here is agenda and powerpoint presentation (modified from your version with maps inserted) for tomorrow's meeting with Vale Inco.

/agc

Arnold G. Chan

Xeneca Power Development Inc.
"ce-President, Legal Affairs

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Toronto, Ontario M2N 6L9
Tol: (416) 590 9363 ort 115

Tel: (416) 590-9362, ext. 115

Fax: (416) 590-9955 <u>achan@xeneca.com</u> <u>www.xeneca.com</u>

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Xeneca Power Development

Vermilion Stakeholder Advisory Committee Terms of Reference

Vermilion River Waterpower Projects:
McPherson Falls, Cascade Falls, At Soo Crossing & Wabagishik Rapids

Background

Xeneca Power Development is a dynamic, forward-thinking partnership between committed and experienced partners, consultants and investors in the renewable energy sector. Environmental responsibility, positive community relations and sustainable use of resources are hallmarks of Xeneca's governance. Our goal is to build waterpower facilities in Ontario that are environmentally sustainable and economically and socially responsible.

Proposed Waterpower Site

Xeneca has been awarded four Feed in Tariff contacts from the Ontario Power Authority for four site on the Vermilion River within or adjacent to the City of Greater Sudbury municipal boundaries. The sites (from north to south) are known as: McPherson Falls, Cascade Falls, At Soo Crossing and Wabagishik Rapids. For geographic locations, please see the attached maps (Appendix A.)

All four facilities are, by definition, small scale (under 10 megawatts) and are envisioned to be low impact environmentally, and, in terms of recreational purposes, designed to be compatible with existing uses. Preliminary design would include a water conveyance structure crossing the Vermilion River with a power house and tailrace either close coupled or with a relatively short intake channel. In each case the affected reach of river is minimized as much as possible.

Designated as a multiple use river, the Vermilion River holds good potential for waterpower development as a renewable, affordable and reliable source of electricity.

Vermilion Stakeholder Advisory Committee (VSAC)

Xeneca recognizes there is a significant number of groups and individuals who use the Vermilion River for diverse pursuits, including, but not limited to: fishing, hiking, swimming, kayaking, canoeing, bird watching and berry picking.

It is also recognized the river holds both natural and anthropological significance for the community and that local knowledge, historical context, experience and understanding can help assure that development is undertaken in a manner that balances environmental, social and economic needs. Xeneca believes that the advice and guidance of local residents and other key stakeholders has, and will, continue to provide valuable input for improved decision-making and enhanced consultation with interested and affected parties.

Objectives

The Vermilion Stakeholder Advisory Committee's purpose is to accumulate and consider concerns and questions from the community. Further, as the voice of the community, the Committee will provide advice that will become an important part of the development process.

Through open and transparent communications our goal is to achieve a positive relationship with the community at large and to contribute to the environmental, social and economic well-being of stakeholders through the development of clean, renewable, sustainable and locally produced energy for generations to come.

Composition and Administration

Membership

- An independent chairperson will be appointed by Xeneca,
- Membership of the Committee will be via appointment by the Chair based on representation of the interests of groups and individuals for whom the project may have potential effects,
- The Vermilion Stakeholder Advisory Committee will consist of eight to 10 members, including a Committee Chair, Committee Vice-Chair and a Secretary,
- A Committee Vice Chair and a Secretary will be elected by the Committee.

Meetings

- The Committee will meet once a month until detail design of the project is completed, or as determined by the
 consensus of the committee,
- Meeting agendas will be provided by the Committee Chair in advance of each meeting,
- Agenda items may be proposed by a Committee member, Xeneca or as accepted by the Committee Chair,
- Minutes will be accurately taken at each meeting and subsequently reviewed by the Committee and Chair before final circulation to Committee members and Xeneca,
- to allow for frank and honest discussion meetings will generally not be open to the public unless there is specific
 direction otherwise through consensus of the Committee and its Chair,
- Committee members have no restrictions on participation in the Environmental Review or any public consultation opportunities.

Responsibilities

Principle duties are to:

- facilitate appropriate consultation with the stakeholders at various steps in the planning process,
- to analyze concerns,
- respond to questions, and to
- provide constructive advice to the proponent.

Further, it is the responsibility of each Committee member to:

- advise stakeholders and the community at large of concerns/ opinions that are being heard and considered by the Proponent, and to
- advise Xeneca of any emerging public concerns with the project or the proponent's approach.

Committee members shall:

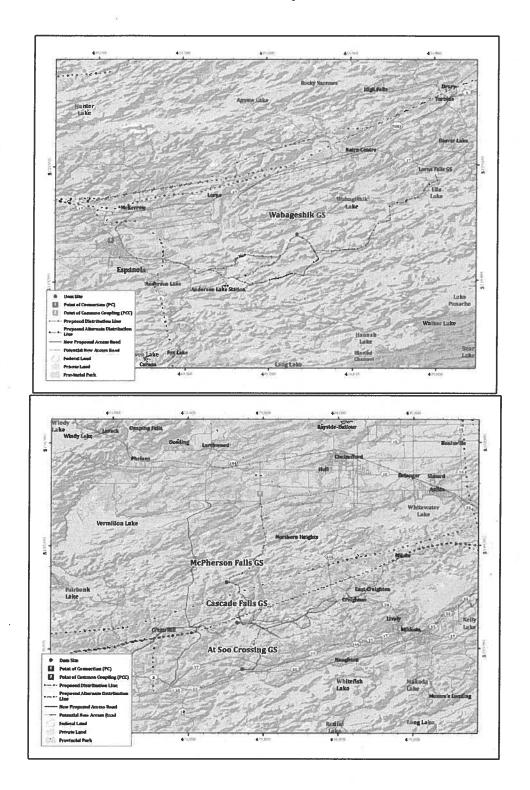
- Regularly attend Committee meetings,
- Actively and constructively participate in agenda discussions,
- Seek input from the individuals or groups which they are representing regarding current and future issues surrounding the project,
- Respect the confidential nature of the discussions or issues raised,
- Work with the Committee and Xeneca to develop practical and workable solutions,
- Identify positive methods to respond to community/stakeholder concerns,
- Act in a manner that does not advocate for or against the development,
- Facilitate two-way communication between Xeneca and community stakeholders,
- Act in a manner to ensure fair dealing and reliable communication as between the developer and interested
 parties, and to maintain integrity and respect for the process.

Xeneca shall:

- Take into consideration the views, opinions and recommendations of the Committee,
- Properly and responsibly evaluate the advice and actions determined to be in the best interest of the stakeholders represented by the Committee,
- Provide the Committee with adequate project status information as requested,
- Identify positive methods to respond to issues/concerns raised by VSAC,
- · Respond promptly to VSAC requests,
- Provide the necessary materials for meetings,
- Arrange meeting locations,
- Log and record all communication with VSAC and stakeholders.

hereby agre	e to abide by th	lion Stakeholder Adviso ne above Terms of Refer Committee Chair.	· · · · · · · · ·		of the Committee or as
			n 2		
Date:	f.			(8)	
Signed:		2			

APPENDIX A Vermilion River Project Locations





5255 Yonge St., Suite 1200, North York, ON M2N 6P4 tel 416-590-9362 fax 416-590-9955 www.xeneca.com

Project: Wabagishik Rapids GS

Date: October 21, 2011

Location: Zubal Camp - Private Road

Attendees: Linda Zubal, Gary Zubal, Albert Ojala, Mark Holmes (Xeneca), Vanesa Enskaitis (Xeneca)

It was acknowledged that the proposed site of the Wabagishik Rapids GS has been moved approximately 250 upstream from the previously proposed site. This new site will not have visual impacts from the Zubal property.

Issues raised:

Water quality

- Zubals currently monitor water quality annually. Xeneca notes that MOE will require water quality monitoring and Xeneca will provide results to Zubals as well. Water quality concerns are greatest during construction and after speaking with engineering, commitment made to bring in water to Zubals if construction results in significant decline in water quality.

Property value

- Concern that proximity to GS could affect property value. Given plant moved upstream and noise not a concern, decline in property value as a result of development is not likely.

Noise from the GS

- Acknowledge that GS site has moved but still have concern that turbines will be loud. Given thickness of powerhouse concrete wall, sound is not likely to be a factor.

Water levels

- Bay needs to receive flow or risk of swamp.
- Ensure the sandbars are part of the engineer modeling.
- It's been observed that loons currently nest on grassy sandbars.
- Follow-up: Mark has brought concern to engineers and commitment made to ensure bathymetry and modeling ascertain impacts and that information will be shared with the Zubals.

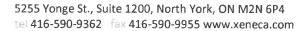
Roads

- -Zubal private road to camp is noted as "Local" on Xeneca mapping.
- -Xeneca to look into this and make changes to show road as private.
- -Xeneca will post signs on new road if necessary to inform public where private property exists and that access is restricted.

Vermilion River Site Visits 16-Nov-11

Name	Organization	Attending?	Vehicle?	Contact info
Mark	Xeneca	х	х	647-588-9707
Steph	Xeneca	x		647-618-8741
Charles	VSAC	x		
Graeme	VSAC	х	?	CATORIAL I
Felix	VSAC	х		
Al Gereghty	Vale	Cascade		
Carolyn Hunt	Vale	Cascade		1
France Gelinas	NDP	x		
Dave Green	NRSI	х		
Mark Simeoni	City of Sudbury			
Nava	Xeneca	х		
Stephen Monet	City of Sudbury			
Bob Robinson	MNR	х		
Dean Assinewe	Xeneca	x		

Al and I will be able to escort your group down the locked Vale Vermilion Water Treatment Plant Pumphouse Road to take a look at the Cascade Falls area. I suggest we meet at the parkette beside the Vale Creighton Mine sign off of Regional Road 24, north of the Town of Lively, at 11am.





Wednesday, November 16, 2011 Xeneca Upper Vermilion Site Visits

Important contact numbers:

Mark Holmes - 647-588-9707 Steph Hodsoll - 647-618-8741 Hampton Inn Sudbury - 705-523-5200

Approximate Schedule

Time (*approximate*)

8 a.m. Meet at Hampton Inn, 2280 Regent Street, Sudbury, Ontario

8:30 a.m. Meet Keevan Beckerton to go into McPherson Falls access point

Meet Carolyn & Al (Vale) at parkette beside the 'Vale Creighton Mine' sign off of

11 a.m. Regional Road 24, north of the Town of Lively

12:30 p.m. Lunch in Lively - Mr. J's Roadhouse, Regional Rd 24, Lively, (705) 692-4788

1:30 p.m. Leave for At Soo Crossing Access Point

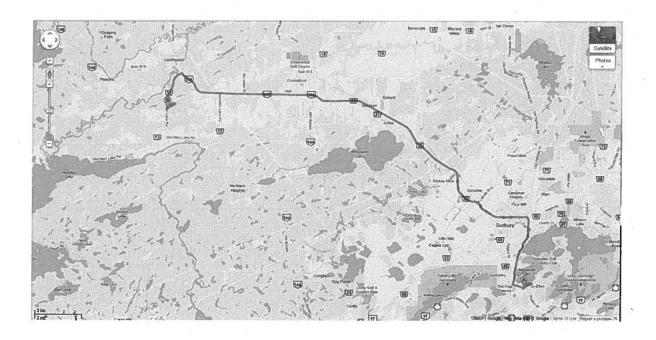
3 p.m. Finish Site Visits

3:30/4 p.m. VSAC debrief at Buzzy Brown's Brasserie, 984 Regent Street Greater Sudbury, ON

Site #1: McPherson Falls

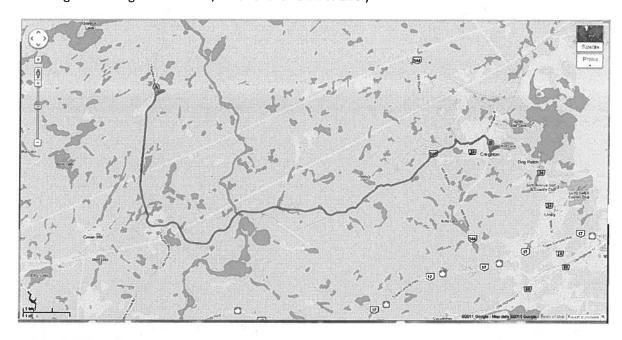
- Take Hwy 144 North to Chelmsford
- Turn left (west) on Gordon Lake Road
- Go past railway track and four corners
- About 3-4 km past four corners will be a driveway on the left. Keevan will meet us there at 8:30 a.m.

http://maps.google.ca/maps?saddr=Hampton+Inn+By+Hilton,+Regent+Street,+Sudbury,+Ontario&daddr=Gordon+Lake+Road,+Greater+Sudbury,+Ontario&hl=en&sll=46.422295,-81.185985&sspn=0.186966,0.528374&geocode=Fe_AxAldniMs-yFbTiC5OulYPg%3BFZhyxgldpUAn-ymXcnEj7rUvTTEbKI5SwiO-rQ&vpsrc=0&mra=ls&t=m&z=12



Site #2: Cascade Falls

*We will be meeting Carolyn Hunt & Al Gereghty from Vale at the parkette beside the 'Vale Creighton Mine' sign off of Regional Road 24, north of the Town of Lively.



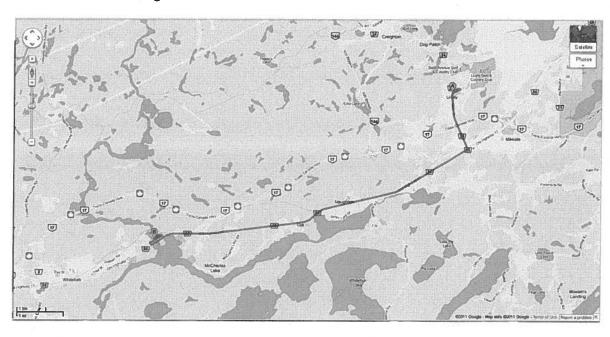
From McPherson Site:

Start at Lockerby Mine Access Rd.

- 1. Head south on Lockerby Mine Access Rd toward Crean Hill Rd (4.9 k)
- 2. Slight left (1.8 km)
- 3. Continue straight (5.2 km)
- 4. Slight left onto Inco Rd (5.2 km)
- 5. Slight left toward Inco Rd (180 m)
- 6. Sharp right onto Inco Rd (600 m)
- 7. Inco Rd. turns left and becomes George St (550 m)
- 8. Turn Right onto Wellington St (170 m)
- 9. Continue onto Macnaughton St (450 m)
- 10. Turn left onto Regional Road 24 (4.5 km)

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Site #3: At Soo Crossing



From Lively:

1. Head south on Main St/Regional Road 24 toward 5 Ave Continue to follow Regional Road 24

2.0 km

2. Turn right onto Regional Road 55 (signs for Sault Sainte Marie)

11.6 km

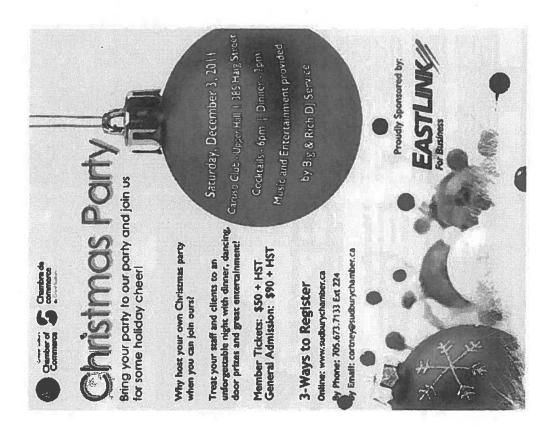
3. Turn right onto Graham Rd

120 m

4. Take the 1st right to stay on Graham Rd

170 m

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Thank you to our event Sponsor



BRAND ROCK STAR Commerce Commerce

Thursday, November 24, 2011

Radisson Hotel Palladium Ballroom North | 85 Ste Anne Road

Building a Business That Rocks

Having a powerful brand is more vital than ever. Business has never been more competitions, only strong brands therwine in celesy's crowded digital environment. Serve Jones speale directly to the challenges hong today's businesses and helps them crease a brand built to bast.

- Look at why having a powerful brand is more important in code? Signal world than it ever was before. Learn how to use your customer base to do your selling for you. Outcomer a serious putfall that prevents most.
- businesses from getting shead. Examine the DNA of AC/DC and see how difficult.
- yet rewarding, it can be to say sample and focused. See why so many new products fail miserably, and what U2 learned that could save your next product launch.

8:30am - 9:00am Breakfast and Registration

10:00am -10:30am Q/A Session 9:00am - 10:00am Presencation

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Or. Franchico Diss-Phoma, Vice-President of Research, Sudbury Regional Hospital, is a renowned medical sciences and professor.

Dau-Hitoma also served as a provention of Redistrica. Pathology, Laboratory Medicine and Marabiology as the University of Octows's Fresity of Dr. Diss-Hitoma came to Sudbury from Octava where he was an infercious disease and clinical wholesy consultant Department of Laboratory Headons and Chair of Chairs of Chairs

As a resertion, Dr. Das-Munta founded two research organizations, including the Vaccine and infectious Disease Centre at the CHEO Research Institutes, He also cofounded Variation Booschondegies ht. a company speciation in the cinical stages of vaccine developments.

With his service at the Southery Regional Househol in james y.

10. Che Chell Houseman able becauses the cold mentional metrobologies in Neurosessers Oriento. He centrality has not the Neuroses Cannot Cannot Foundation? Board of Diversors as an accounter member, provided this broundings and experime to the field of Cannot research as the Nordesser.

Tuesday, November 29, 2011 12pm - 2pm

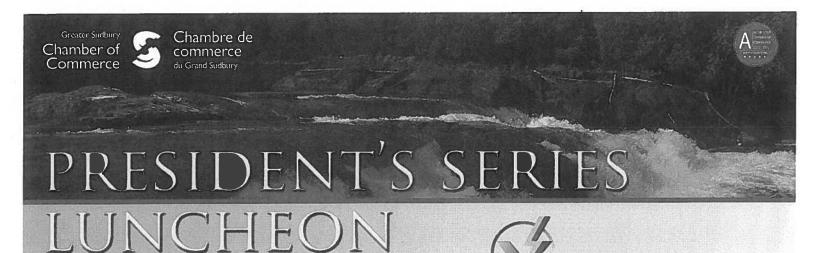
Ristorante Verdicchio

By Email: cortney@sudburychamber.car.ca By Phone: 705.673.7133 Ext 224 Online: www.sudburychamber.ca 3-Ways to Register

Chamber Member Table: \$ 320.00 + HST General Admission: \$ 75.00 + HST General Admission Table: \$ 600.00 + HST Chamber Members \$ 40.00 + HST

Sponsored by: EASTLI For Business

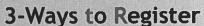




Proposed Waterpower Projects on the Vermilion River: Addressing Multiple Objectives

Thursday, November 17, 2011
12PM - 2PM
Days Inn | 117 Elm Street

The Greater Sudbury Chamber of Commerce is pleased to host Mark Holmes, Vice-President of Corporate Affairs, Xeneca, who will speak on the history of waterpower, the process leading up to these projects, engineering details of the Vermilion projects, as well as addressing stakeholder and community issues with engineering solutions.



Online: www.sudburychamber.ca By Phone: 705.673.7133 Ext 224

By Email: cortney@sudburychamber.car.ca

Chamber Members \$ 35.00 + HST

Chamber Member Table: \$ 280.00 + HST

General Admission: \$ 70.00 + HST

General Admission Table: \$ 560.00 + HST





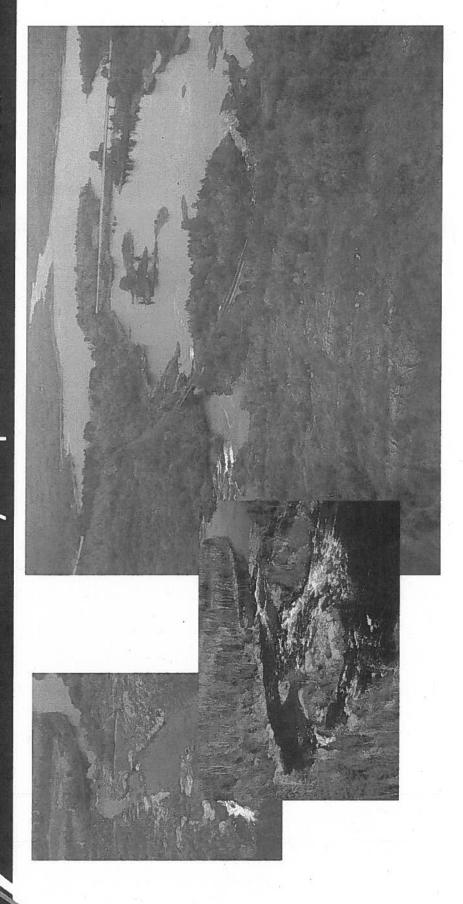
Mark Holmes, VP of Corporate Affairs, Xeneca Power Development

Mark Holmes has established a strong track record in team building, issue management and project management with over 25 years in various communications disciplines and more than 15 years of public and government relations work in the sustainable resource use sector. Consulting for the renewable energy sector since 2003, Mark has a combined work experience in the Ontario Forest Industries sector, Ministry of Northern Development and Mines and with the Ontario Federation of and Hunters. Extensive Anglers stakeholder relations efforts balanced with sound business decision-making have led, and are leading developments that meet public and government agency objectives expectations and have significant bottom line results in project management.

Sponsored by:



Community Impacts and Benefits Vermilion River Hydro



Presented to the inaugural meeting of the Vermilion Stakeholder Advisory Committee (VSAC) February 22, 2012



Thank you

- Xeneca thanks the Vermilion River Stakeholder Advisory Committee (VSAC) for their interest, time and input.
- Public awareness and an open process are important to the success of these projects that need to be built on a foundation of good information provided from the broadest spectrum of stakeholders.
- The better the input, the better the project!
- economic/business opportunities, social/recreational investments, Local input also opens the door to many benefits, including community partnerships and collaboration.
- Today's presentation is one of many to be held in the area, and Xeneca looks forward to working with the people of Sudbury and District as we move forward with these projects.
- So far: 2 Public Information Centres (PICs) have been held for the Wabagishik Rapids project in Espanola (March & October 2011) – high public interest



Outline

Part 1: A bit of history of waterpower

(Why the Vermilion?)

Part 2: Project concepts

Part 3: Stakeholder/ecological needs

Part 4: The business case





Waterpower History

Decew Gristmill 1872



Waterpower technology, even in its simplest forms had a profound effect on productivity and daily life in Ontario from early settler's days onward.

Decew mill horizontal axial turbine 15" dia, 40 ft head *Mechanical Power output = 49 horsepower or 36 kW* Sawmill undershot wheel 6' dia, 3.5 ft head {estimated}

Almonte Electric 1908

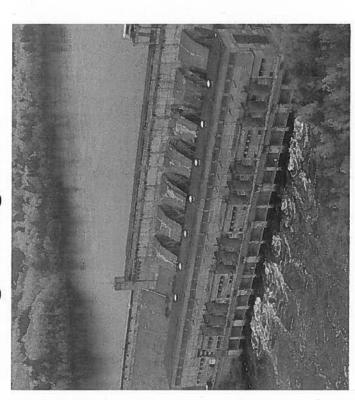


1900+ towns started their own electricity plants like this one near Ottawa to meet growing interest in electricity. These were typically 1 to 10 MW (small).



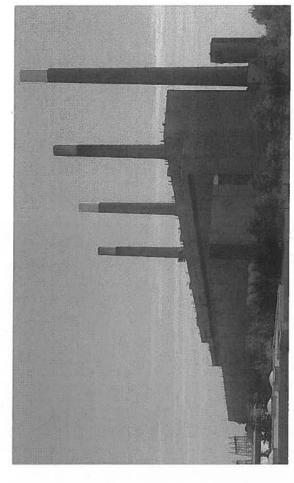
Waterpower History (cont'd)

Water goes big 1930+



Hydro projects grew to grand scale till 1960's but few large hydro sites exist in Ontario and even fewer are close enough to the big cities. Photo: DesJoachims, a 429 MW plant, 1950. Three Gorges Dam in China is 22,000 MW. Ontario is limited by topography and rain fall.

Coal is King 1940+

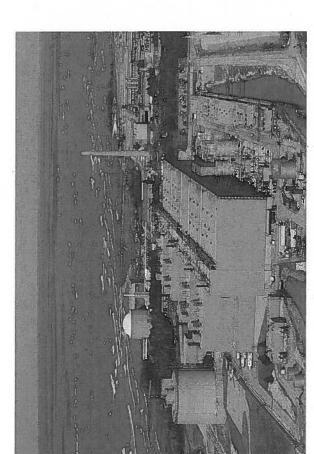


Lakeview station (2,400 MW) commissioned in 1962, now defunct. Coal began to play a growing role as Ontario was running out of accessible waterpower site locations and nuclear was still in its infancy.



Waterpower History (cont'd)

Nuclear quenches thirst for power 1966+



Large plants are needed to fill the power gaps created by growing cities and a rapid increased in manufacturing.

This plant is Bruce Nuclear commissioned in 1978 on Lake Huron.

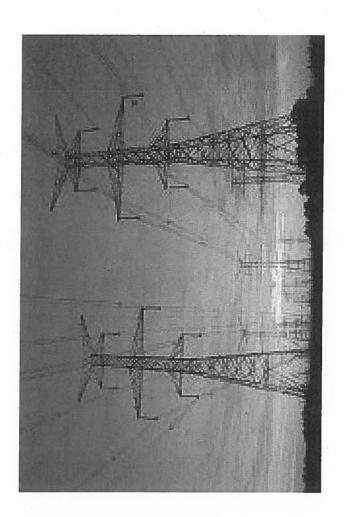
Large plants meant large transmission lines and infrastructure to connect cities to the generation sources.



The Transmission Legacy

The transmission system of yesteryear is in need of modernization. Successive governments have not made changes that can accommodate new, localized generation.

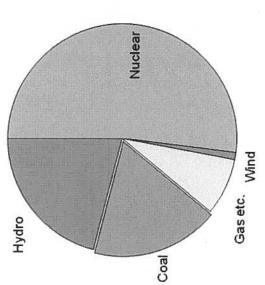
The result is very limited connection space for new generation.





Our Aging Supply Mix

Ontario Supply Mix Today



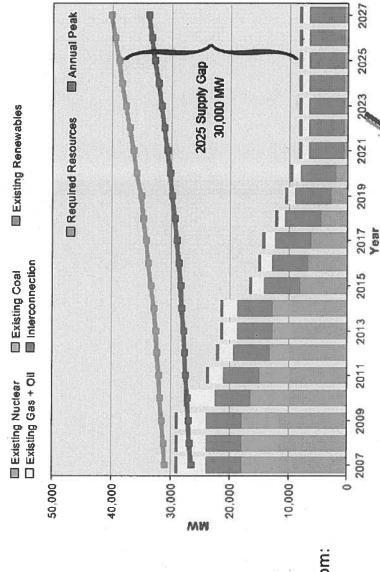
30,000 -20,000 50,000 40,000

The growing supply gap could come from:

- New nuclear
- Keeping waterpower operational
- Adding gas for peaking load
- Diversifying the supply mix
- (small hydro, distributed generation, other...)

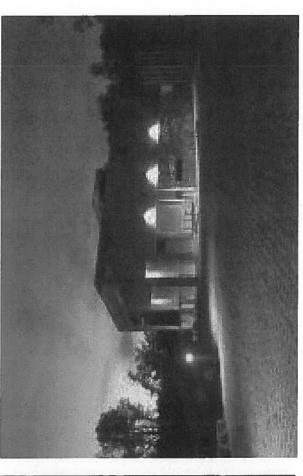
Power Development Inc.

The big supply problem



The Clean, Green Revival





Small hydro comes back with the Green Energy Act and the move to more renewable power like this new powerhouse in Almonte that saw the redevelopment of a 1908 project (5 MW.)

History meets renaissance!



Small Waterpower Projects Throughout Ontario Xeneca's Mission: Identify and Built Multiple

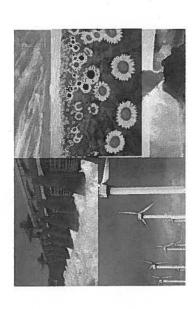


We have been working for several years now to identify potential small waterpower sites on "general use" rivers. The map above shows the key projects we are working on. Each is small (1 – 10 MW) and each is being carefully engineered to address stakeholder questions, limit environmental footprint and allow EcoLogo certification. We strongly believe that small waterpower is an important part of the solution for Ontario's supply mix and the right thing to do from a sustainability point of view.



Why Hydro?

- Coal fired generation is mandated to be shut down in Ontario by 2014.
- Portion of replacement generation to come from renewables i.e. wind, solar, biomass and small hydro.
- Each fuel source has a role to play in diversification of the supply mix:
- Increased system reliability on local level
- Decreased need for new transmission lines
- Part of global trend to go green
- Make communities part of the solution



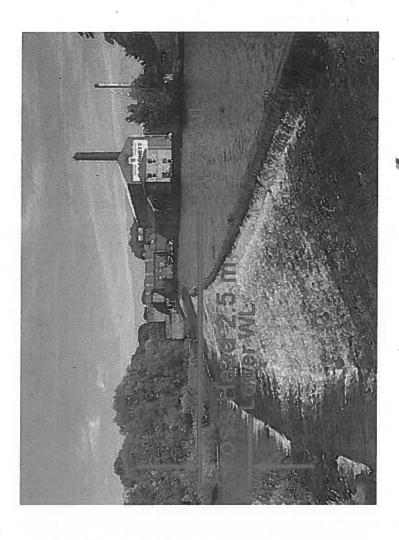


Why Hydro?

Wind and solar are clean but are intermittent sources ... i.e. they run when the wind blows or when the sun shines...

...and not necessarily when power is required.

Water is predictable and provides a stabilizing effect that helps balance power production with consumption.





Why Hydro?

- Waterpower is long lived. Many facilities have been in operation 80+ years.
- Solar and wind have a lifespan of about 20 years and nuclear 40 years.
- Waterpower is the least expensive alternative. In the long run it will help moderate electricity rate increases.



Furry Creek small hydro project near Squamish, BC



Small is Beautiful (and Green)

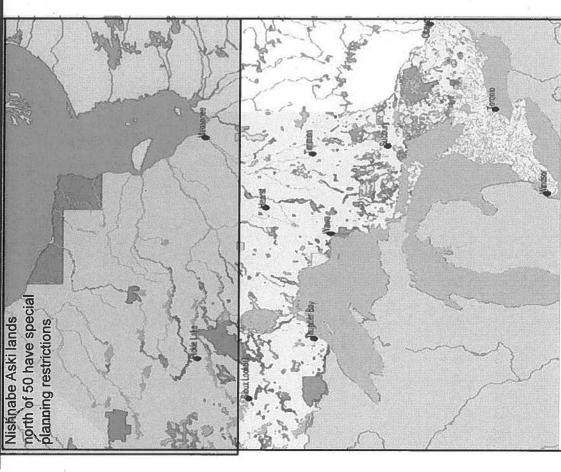
- What makes small waterpower green?
- To be green, small waterpower has to meet multiple criteria:
- Under 10 MW
- Minimal or no storage (less than 48 hrs)
- Minimal environmental impact (e.g. fish)
- Small physical and ecological footprint
- for "EcoLogo Certification" from Government of Canada. Facilities that meet green criteria are eligible
- Xeneca strives to obtain EcoLogo Certification for each project as a reflection of our efforts to be green.
- Being green means making extra effort in the engineering process to address stakeholder questions and concerns and, where possible, derive benefits.





"It's Not Easy Being Green"

(Kermit the Frog)



Government restricts where sites can go:

In addition to the EcoLogo criteria, project sites must be on "general use" rivers, and not in:

- Wilderness parks
- Natural environment parks
 - Waterway parks
- Nature Reserve Parks
- Recreation Parks
 - Historical Parks
- Conservation Reserves
- **National Parks**
- First Nation Reserves
- Nishnawbe Aski Lands (North of 50°)

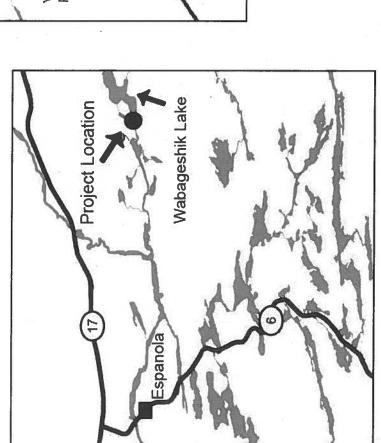
Many rivers and most potential project sites are affected by one or more of these planning constraints.

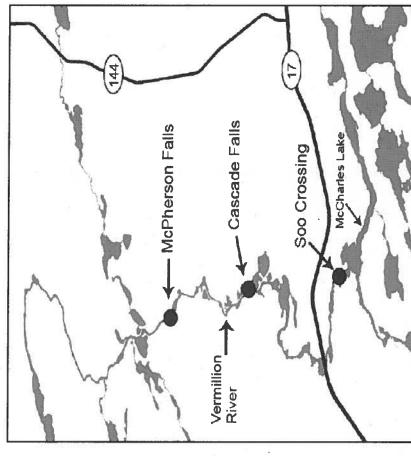
Planning constraints are a key factor in the focus on a limited number of small (1 - 10 MW) project sites.



Vermilion River Site Locations

- McPherson Falls
- Cascade Falls
- At Soo Crossing
- Wabagishik Rapids







Upper Vermilion River Projects

connection capacity issues, only a few sites in Ontario are viable. All With so many sites removed because of land issues, parks and Vermilion projects meet the necessary criteria.

- 1. River flow and head provide a economical return on investment
- friendly small waterpower project. That means we are not in a park, we 2. Site design and location meet constraints of a green, environmentally can reach agreements with land owners whom may be affected.
- 3. The projects can be connected to the grid NOW!



Upper Vermilion River Projects

Combined capacity of the three northern projects (McPherson Falls, Cascade Falls & At Soo Crossing) is 8.4 MW.

- River LTAF = approx. $36.5 \text{ m}^3/\text{s}$
- Project size 2 to 4.3 MW
- Reduction of almost 30 million kg / year³ of coal Energy Output approx. 28,000 MWh/yr, equivalent to: about 3 percent of Sudbury's households 2,000 Cdn households per year¹
- 'Run of River' operation with modified peaking about 16 percent of the year
- Smaller dam structures and limited storage (less flooding)

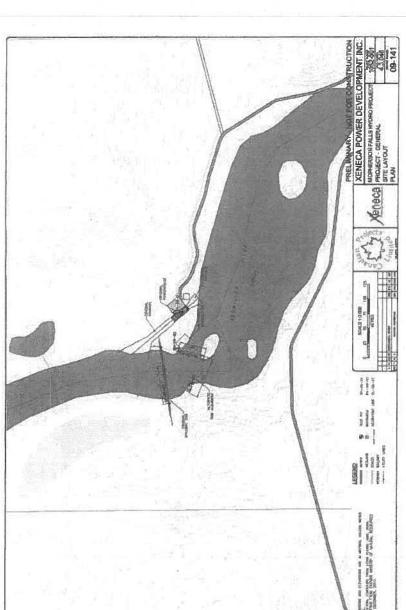
Notes:

- 1. Cdn. Household electricity usage est'd at 12,000 to 12,800 [kWh/y]
- 2. Refn: Canadian Census 2006, Population of Sudbury Ontario = 14,651
 - 3. Typical US energy output values 2,249 lb coal burned / MWh electricity



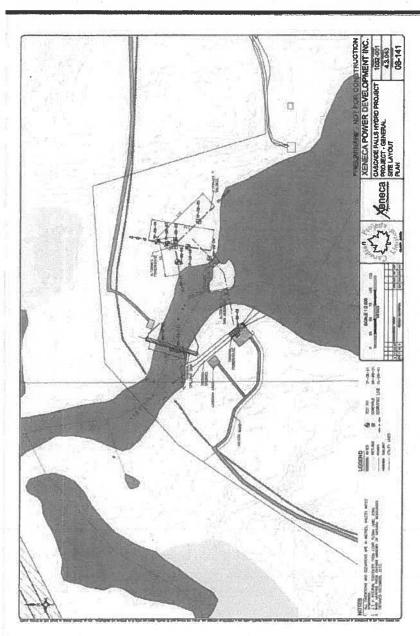
Current Project Proposal – McPherson Falls

Two design
options but
leaning toward
less intrusive
close coupled
configuration





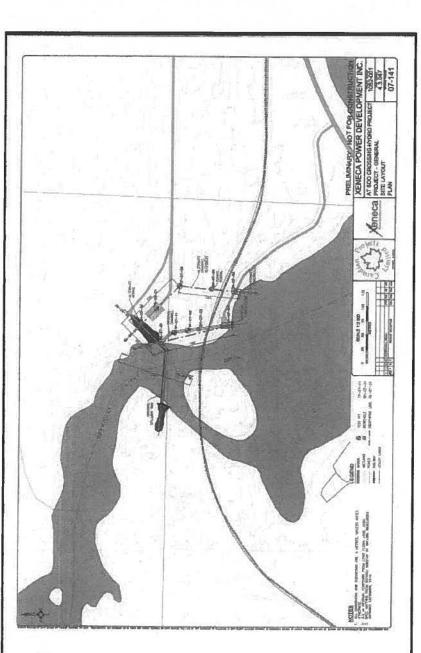
Current Project Proposal – Cascade Falls



Also considering design revisions which protect low lying area from flooding and close coupled design that has smaller ecological footprint.



Current Project Proposal – At Soo Crossing



Original design option remains preferred. No visual or water level impacts to downstream RV camp.



Environmental and Engineering Investigations

- LiDAR survey of river corridor/local geology/topography
- Terrestrial vegetation and wildlife habitat
- •Fish community and aquatic habitat (spawning and rearing areas, index netting, small fish collections, etc.)
- •Mercury in fish flesh (to establish background levels)
- Water quality sampling, including low level mercury
- Benthos (bottom dwelling organisms)
- Sediment (assess for particle size and organic content)
- Water temperature monitoring
- Archaeological investigations (Stage 1 and 2)
- Geomorphology



Ecological Studies Completed

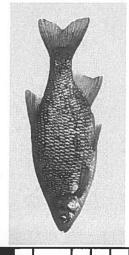
2010 2011		7	7	7	7	ation	7	7	
Ecological Study	Summer Fish Community Surveys	Walleye Spawning Surveys	Northern Pike Spawning Habitat Survey	General Aquatic Habitat Characterization	Invertebrate Sampling	Detailed Aquatic Habitat Characterization and Quantification	Fish Tissue Sampling for Mercury	Breeding Bird Surveys	

Over 20 km of upstream, downstream river and terrestrial area covered with actual boots on the ground for over 46 days.



Upper Vermillion 2010 Fish Survey Results

												400							1				
Drovingial	Status	(SARO)	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk		Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk
National	(COSEWIC		Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	1-:C +0 +0!N	NOI AI KISK	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk	Not at Risk
		Srank	S 2	S5	SS	S5	SS	SS	SS	S 2	SS	SS	S2		S5	. 32	SS	SS	S4	S5	S5	S5	SS
		Common Name	Finescale Dace	Golden Shiner (pictured)	Iowa Darter	Logperch	Northern Pearl Dace	Northern Pike	Northern Redbelly Dace	Pumpkinseed	Rock Bass	Smallmouth Bass	Spottail Shiner	Y	Trout-perch	Walleye	White Sucker (pictured)	Yellow Perch	Black Bullhead	Blacknose Shiner	Brook Stickleback	Central Mudminnow	Common Shiner
		Scientific Name	Chrosomus neogaeus	Notemigonus crysoleucas	Etheostoma exile	Percina caprodes	Margariscus nachtriebi	Esox lucius	Chrosomus eos	Lepomis gibbosus	Ambloplites rupestris	Micropterus dolomieu	Notropis hudsonius	Percopsis	omiscomaycus	Sander vitreus	Catostomus commersonii	Perca flavescens	Ameiurus melas	Notropis heterolepis	Culaea inconstans	Umbra limi	Luxilus comutus

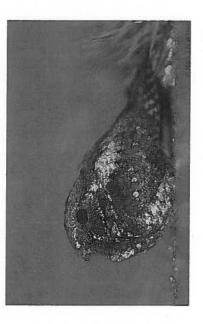






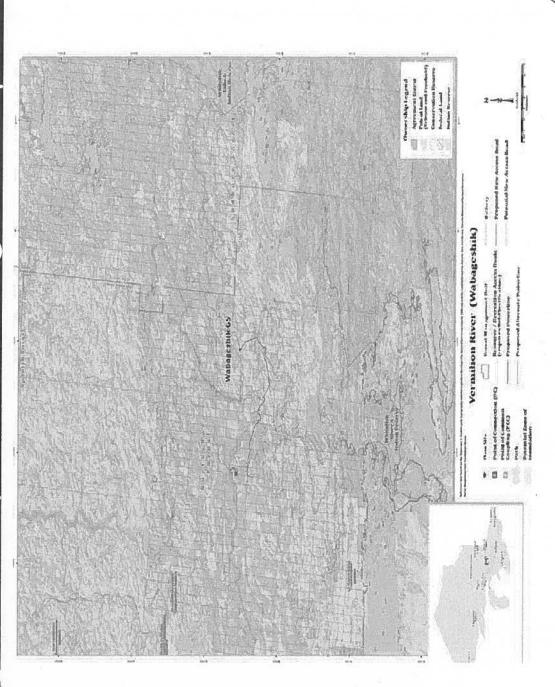
2010 Terrestrial Survey Results **Upper Vermillion**

- 12 vegetation communities identified as per Ecological Land Classification
- No significant plant species identified
- 78 bird species observed, 8 of which demonstrated confirmed breeding evidence
- Conservation Concern to be in the study area including 11 birds, 2 turtles, and 2 Background review indicated the potential for 15 Species at Risk or Species of snakes. Presence of 3 of these species were confirmed during 2010 field investigations (monarch butterfly, snapping turtle and whip-poor-will)



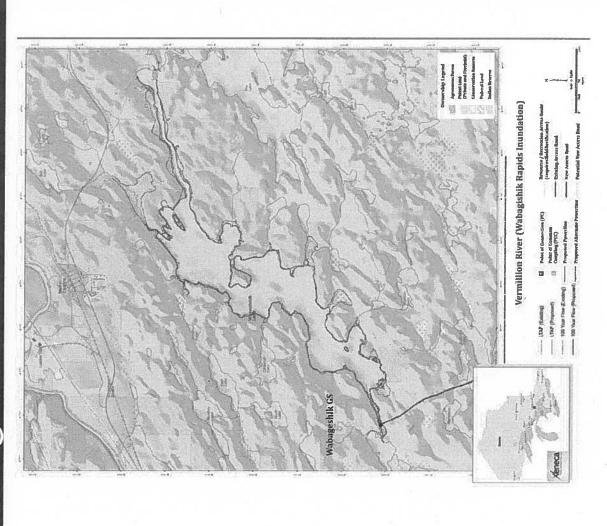


Proposed Wabagishik Rapids GS Location Lower Vermilion





Wabagishik Zone of Influence Lower Vermilion





Wabagishik Conceptual Site Layout Lower Vermilion

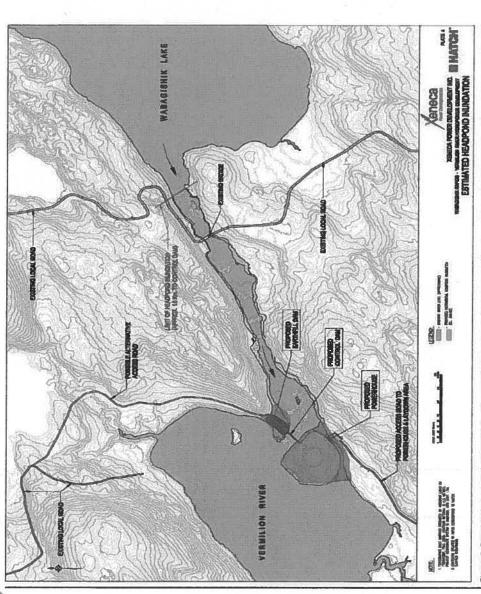
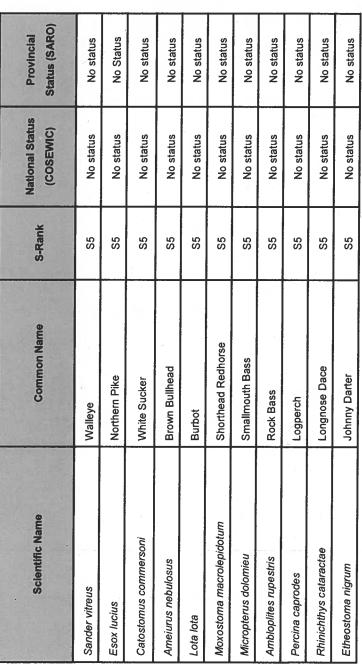


Figure 5. Development map of the proposed hydropower facility at Wabagsshik on the Vermillion River, in the Township of Foster. Red areas identify high archaeological potential. Contour intervals are 50cm.

- Reflects new developments to the Wabagishik Rapids conceptual design.
- Both the powerhouse and dam locations have been updated since and are now situated further upstream on Vermilion River
- Design option has been changed from "weir & penstock" to "close coupled."



Wabagishik Aquatic Survey Results





11 fish species identified in study area

Walleye spawning confirmed within Wabagishik Rapids



Wabagishik Rapids

Terrestrial Survey Results

- Two vegetation communities identified as per Ecological Land Classification.
- No significant plant species identified. 48 bird study. These include three birds, two snakes, demonstrated confirmed breeding evidence Background review indicated the potential for seven species at risk (SAR) to be in the (spotted sandpiper, common grackle). species observed, two of which one turtle and one fish.







Project Benefits – Goods & Services

During construction Xeneca strives to procure its goods and services locally. On average about \$2.5 million per MW or approximately \$30 million will be spent locally on labor, trucking, steel, equipment rental, surveying, legal and professional consulting services, food, fuel and accommodation.

A A Codeline

Expenditures have been ongoing since 2010 and will steadily increase through 2014-2015.



Project Benefits – Partnerships

- Vermilion Stakeholder Advisory Committee
- Xeneca is working with Vale and Xstrata on land issues and potential connections that increase efficiencies.
- Xeneca ready to work with Sudbury to develop attributes like hiking trails and green energy initiatives.
- Xeneca will work with local conservation organizations like Ontario Federation of Anglers and Hunters. Potential partnerships on fish hatchery programs.
- and other learning institutions on research programs Xeneca is willing work with Laurentian University



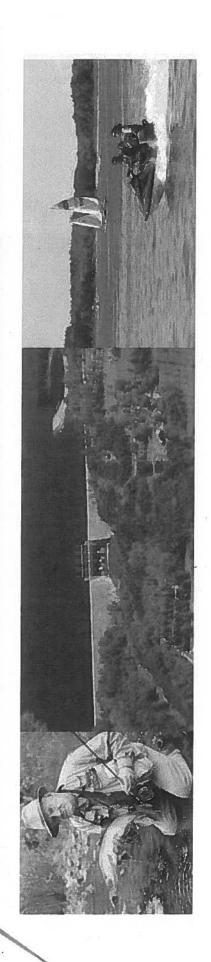
Project Benefits – Partnerships

Last year, Xeneca became a partner in Sudbury's EarthCare program and will help the City meet its objectives of:



- Supporting innovative approaches to energy production on industrial
- Continuing efforts to generate renewable energy locally,
- Using renewable energy to power buildings and facilities,
- Attracting and retaining corporate investment in local renewable energy projects,
- Building local labor capacity in renewable energy,
- Pursuing opportunities for community-based power generation,
- Promoting and facilitate opportunities for energy generation Xeneca that are supported by Ontario's Green Energy Act.

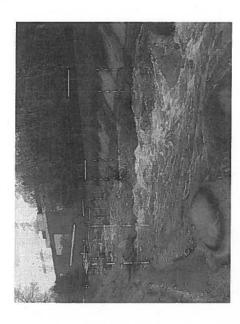
Recreational Activities Coincide



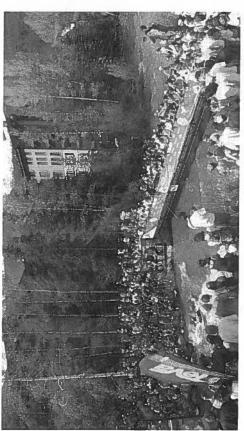
- Norman Dam is a dam located just 6 km from Kenora. Fishermen will find a variety of fish including sucker, sturgeon and largemouth bass here.
- Grand River. The lake was created in 1942 with the construction of the Shand Dam. The Belwood Lake Conservation Area occupies 1,400 hectares in the headwaters area of the excellent brown trout fishery, considered one of the best fly-fishing locations in North northern pike and carp. Boats and bait can be rented. Downstream of the dam is an park offers anglers a chance to catch brown trout, small mouth bass, yellow perch,

Project Benefits – Tourism

flows can attract commercial operators and tourism. Wave features, predictable water recreational amenities that can attract Through design, Xeneca can create paying customers.



Organized
activities
around these
amenities can
also attract
tourism
spending.

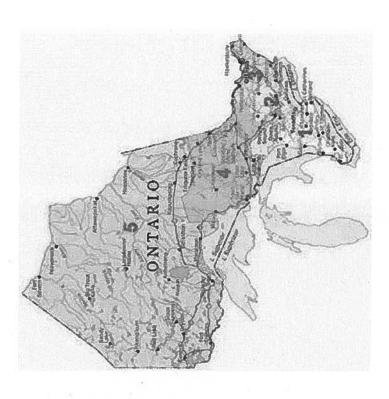




Long Term Economic Stimulus

Waterpower pays its share back to the People of Ontario. A portion of the Gross Revenue Charges (GRC) are paid on plant revenues generating a cash stream of that can help offset tax increases and can be used for public works that enhance quality of life. Over a 40-year contract period GRC is worth \$4.5 million.

Xeneca asserts that a portion of GRC should flow to municipalities hosting waterpower facilities and our company is urging municipal officials to join in lobbying efforts.





Waterpower and the Future

- We are well aligned if the province chooses to globally promote current water resource knowledge base.
- The International Energy Agency has estimated waterpower will grow from ~850 GW ~1,425 GW by 2030; this is equivalent to all other renewable energy growth combined!
- century is estimated as a \$3 trillion dollar market opportunity that Keneca occurs and experience is gained from FIT sites like the Vermilion New supply and refurbishment of waterpower built in the last existing Ontario industry can exploit if the knowledge transfer

A More Stable Electricity Supply

Reliable and predictable, waterpower can help stabilize the electricity transmission and distribution system.

Like water, electricity flows to the nearest outlet, so it is consumed first locally, and, in the event of larger system outages, Sudbury's lights will come on first.

Green energy is an important consideration for our future and Sudbury can enhance its green reputation.





Public Safety

- Will the facilities be safe?
- Public safety is paramount
- Could changes to flows cause safety issues?
- Design and operation parameters mean no dramatic change in flows upstream or downstream
- Design decision to go with close coupled systems means no dewatering effects. This is particularly important at Cascade Falls where water intake is located downstream
- (Hydraulic modeling work under way) Control means impact of severe weather or spring freshet can be better managed.
- Safety plan in preparation by an independent engineer. Plan includes safety assessment, safety plan and hydraulic modeling.

Keneral Power Development Inc.

Change

- These projects will bring change to the river, as have the dozens of other dams and structures that have been built on the Vermilion River.
- We need green energy but must be vigilant in building to a higher standard and ensuring minimal impacts.
- Changes can be positive. Communities have thrived with hydro in their midst for over 100 years.
- Aquatic habitat may change but can be managed with net positive benefits for fisheries and for people.

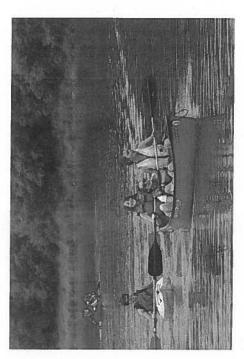




Input to Project Proposal

This is the time for VSAC and the community to let Xeneca know:

- (a) How many people are using these sections of river?
- b) When are people using the river?
- (c) Where is the preferred launch site(s)?
- d) What are the activities on these parts of the river?
- (e) How can these activities be maintained and/or enhanced?
- What are the safety concerns and how they will be addressed?





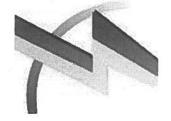
Summary

- Placing a small waterpower project into a community creates challenges but offers real and significant economic and social benefits.
- Xeneca is addressing the challenges through:
- Innovative and appropriate design features.
- Plant operation with recreational uses in mind.
- Public safety oriented engineering to ensure the project is safe and the river accessible.
- Building partnerships and becoming part of the community is important to
- Social and economic benefits should accrue to the community and Xeneca a willing partner to help achieve.





Thank you!



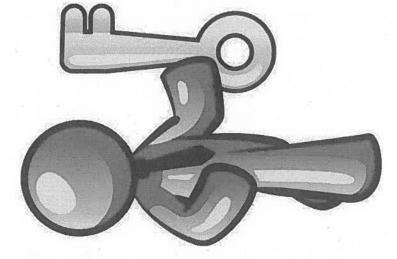
VSAC Meeting: Xeneca Presentation

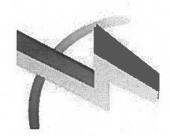


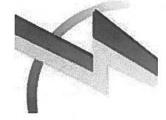
Living with Lakes Centre Tuesday, May 22, 2012



Part 1: VSAC Questions

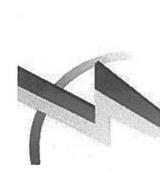






When is the Environmental Report and Notice of Completion expected to be submitted by Xeneca?





What will the head be - there was mention that it could be 6 meters or more?

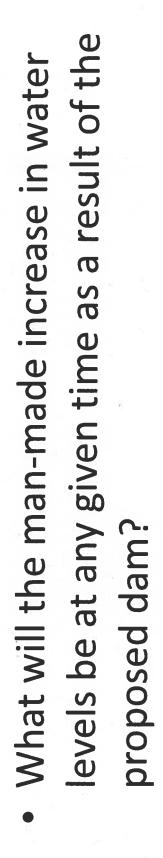


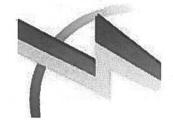


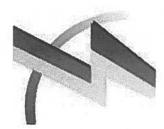
water from the top of the turbines - base of How do you measure the head - height of the river - or what?





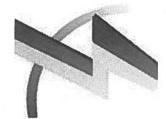






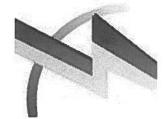
fluctuation of water levels on Wabagishik Lake months from mid-July to end of October? - especially during the low flow summer What will be the maximum hourly/daily





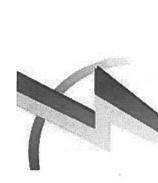
MOE regarding (Q80), how is Xeneca going to If there are conflicting issues with MNR & go forward on the environmental issues?





MNR suspects the zone of influence could be all the way out to the Spanish River, and beyond - so how is Xeneca going to go forward?



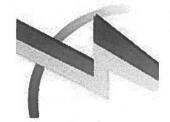


 Is Xeneca conducting field studies all the way out to the confluence of the Vermilion with the Spanish?



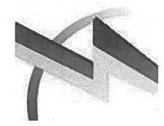


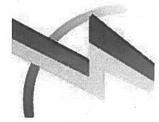






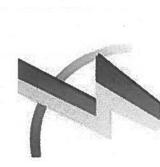
Will Xeneca conduct silt sampling of riverbottom sediments for heavy metals & chemicals?





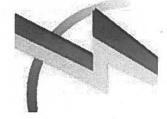
regard to safety - for existing canoe portages? What will be the design of the facilities with





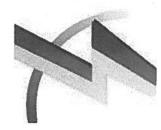
there once were recreational rapids and after What are the plans for compensation when a dam is built there will not?





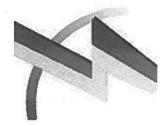
What will be the signage or safety features for paddlers that will indicate when a dam is downstream?





What will warnings will be used when the dam will be releasing water?





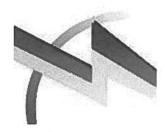
several times daily increased flow velocity and How will Xeneca protect the Public from the water level changes?





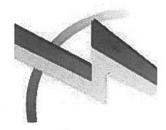
How will this frequent fluctuation in water flow velocity and levels affect ice safety throughout the winter months?





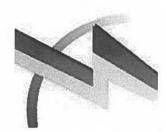
Why are you using flow measurements from measurements available for the Vermilion the Wanapitei River when there are flow River at Val Caron and Lorne Falls?





Has Xeneca been taking flow measurements at each of the proposed dam locations on the Vermilion River since 2009?





based on water color and surface turbulence? conclusions when your data relies on Google How accurate are your LiDAR & Bathymetric Earth aerial photography, estimating depths



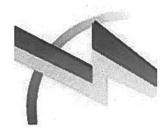


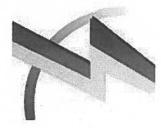
would maintain normal operating levels and assumptions that the proposed structure flows up to a 1:100 year flood when this If Xeneca is guessing at the depth and contours - then how accurate are your conclusion is based on guesswork?





Has Xeneca established the current base mercury levels in fish tissue?



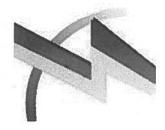


How many hectares of newly inundated area on Wabagishik Lake will be affected?



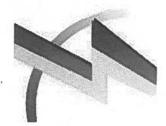


How many hectares will be wetland?





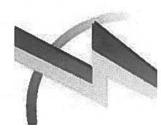
Has Xeneca predicted the amount of increase in mercury levels in fish tissue after the proposed dam?





flow released at all times through or over/the What will be the minimum amount of water dam?





What will be the minimum and maximum flow velocity - and the maximum increase - over how long?



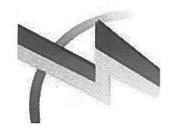


What will be the ramping speed and over what time?



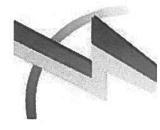








 What are all the risks to public health and safety?





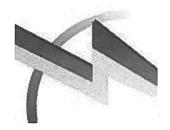
How many months of the year will there be intermittent peaking operations?



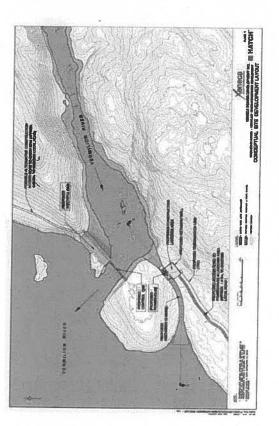


Part 2: Wabagishik Rapids Update



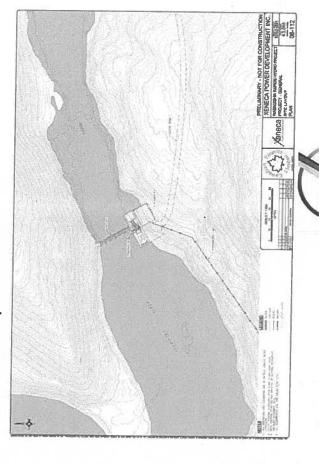


Wabagishik Update: Old & New Layouts



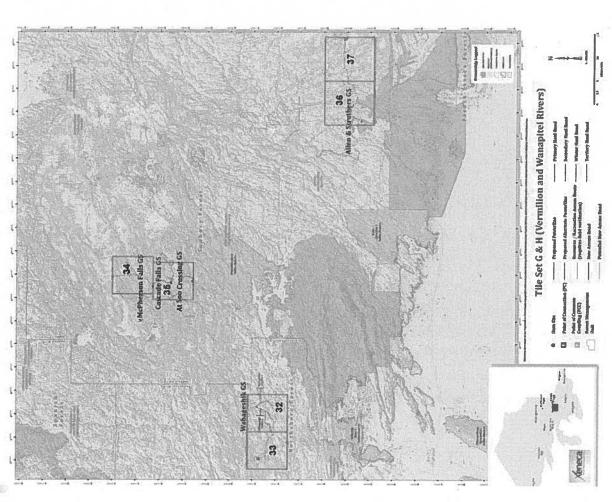
Old concept: March 2011

New concept: October 2011

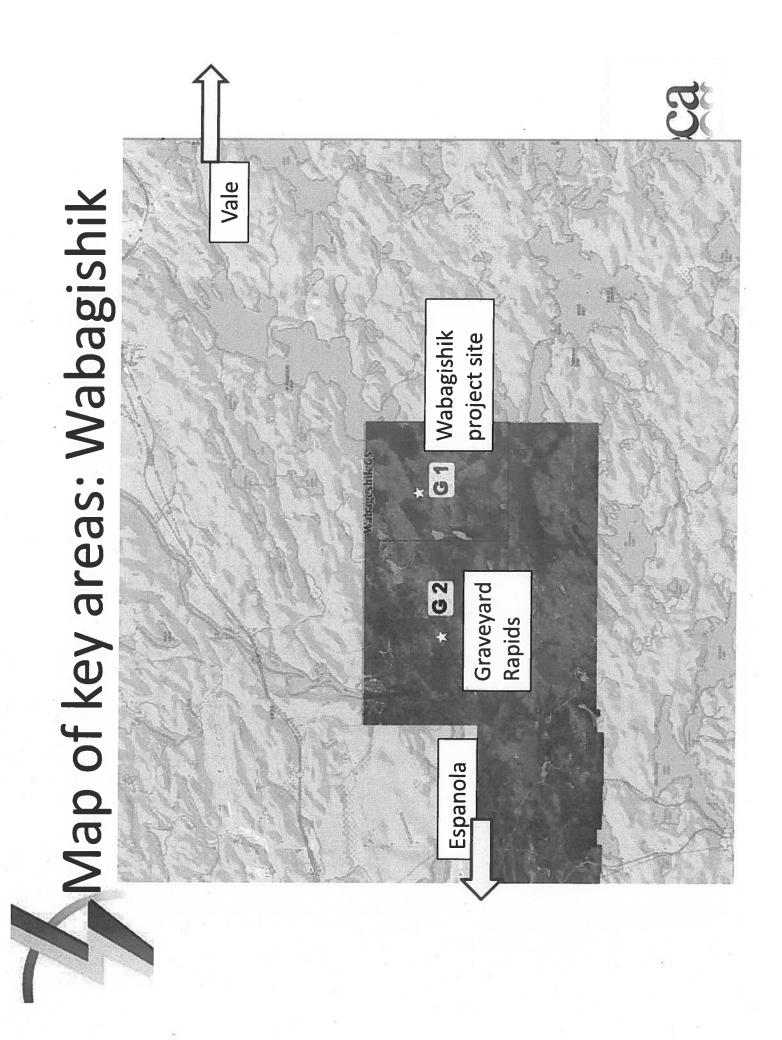


ceneca











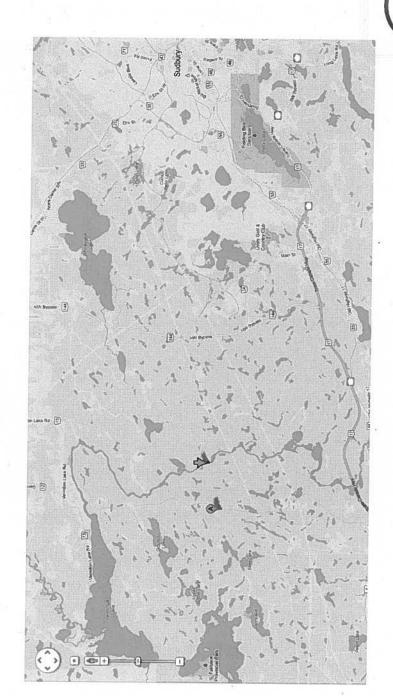
Graveyard Rapids







Cascade Falls site







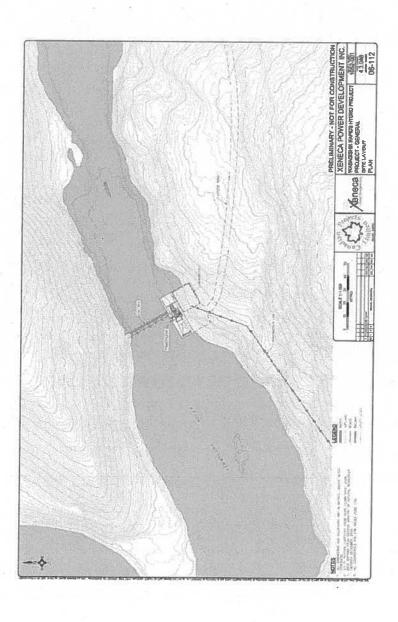
Espanola

Domtar Mill

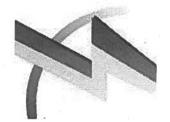


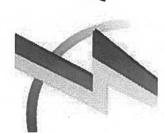


Wabagishik Site Location



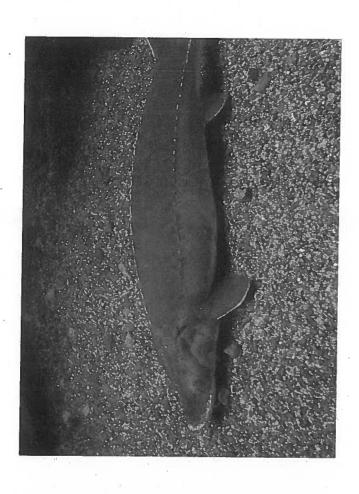






Addressing Issues

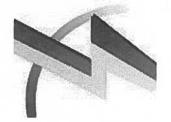
- Lake levels
- Effluent dilution
- Sturgeon
- Site relocation







Thank you!





Notes from May 30 Telephone Meeting with Sharon Semeniuk, Domtar, Espanola

Attending:

Sharon Semeniuk, Domtar

Mark Holmes, Xeneca

Nava Pokharel, Xeneca

Mike Vance, Xeneca

Meeting commenced at 10 a.m. with MH providing a brief rationale for the call which is to provide preliminary information on effects that may impact Domtar as a result of Xeneca's Wabagishik GS operations on the Vermilion River.

SS provided a brief overview of Domtar's Espanola Mill which has been in operation since the late 19th century and is the second largest mill in Ontario manufacturing both soft and hardwood kraft pulp.

She noted that Xeneca's Wabagishik project has two potential impacts on Domtar, specifically:

- 1. River water flows affecting effluent treatment; and
- 2. operation of the mill's hydrogeneration plant.

SS noted that the mill runs 24 hours a day almost 365 days a year with downtime only for a short maintenance period and Christmas Day and Labour Day.

Treatment of organics based effluent uses an ASB approach (Aerated Stabilization Basin) or lagoon where aerobic digestion of effluent reduces environmental impacts.

Issues with effluent treatment arise during low flow periods combined with warmer water temperatures that can reduce river water oxygen levels. The mill is directed by regulation to maintain oxygen levels about 52 percent in the Spanish River from Espanola to its mouth at Spanish, ON.

In 2010 it was noted that record low water levels were experienced for the summer period. Water flows have been recorded in that section of river since 1943.

ACTION: SS will provide Xeneca with water flow and level data.

SS noted that the unprecedented low flow period in summer of 2010 created a crisis situation regarding effluent discharge and Domtar eventually released water from upstream lakes controlled by their facilities. Similarly, Vale, which also owns upstream water control facilities, released water during this same period. Domtar owns water control facilities on Onaping Lake, Pogamasing Lake both of which feed the Spanish River and the Stobie Dam (near Chelmsford in the upper Vermilion.)

Vale owns the Lorne Falls GS above Wabagishik Lake on the Vermilion and on Agnew Lake which feeds in to the Spanish River above its confluence with the Vermilion.

SS noted that the majority of water flowing to the Domtar mill in Espanola is from the Spanish River (approx 70 percent.) MV noted that the Vermilion is responsible for 30% (later modified to 36%) of annual flow at Espanola.

During extreme low flow periods, Domtar may also use an oxygen header which pumps oxygen into the water column but this effort is employed as a last resort.

Domtar's power plant has two 8 MW turbines, one a fixed blade unit installed in the 1950s and the second a variable pitch system installed in 1993. Total max combined flow through these turbines is approximately 3700 cfs. At low flows, flow is passes through only one of the two turbines, to maintain VARs production.

The power plant is critical to Domtar's mill operations as it is at the end of a Hydro One Circuit and the local generation provides stability for their internal electric systems.

The plant was described as run of river but water levels in the head pond are allowed to fluctuate about 8 inches.

It was also noted that, depending on the upstream operations of the Vale generating plants, flows through the Domtar hydroelectric facility can range daily between 3700 cfs during the day and 600 cfs at night. River flows of less than 600 cfs as measured at Espanola are considered undesirable due to potential for impact on aquatic life in the river system. Vale and Domtar currently have an agreement to maintain instantaneous river flow as measured at Espanola at least 600 cfs. Flows falling below this level trigger low water advisory.

NP informed SS that Xeneca's operating plan involves a modified run of river regime and over a 24 hour period all natural flow will be passed downstream of the facility.

It was also noted that Xeneca has committed to a full run of river regime in the event a low water level crisis situation arises.

NP observed that downstream hydraulics modeling should be completed in the next two weeks.

ACTION: NP will send SS the results of hydraulic modeling.

MH and SS briefly discussed some of the fisheries field work that has been conducted on the river. It was noted that a vibrant walleye spawn occurs in the spring and that a very limited number of sturgeon have been caught in the Spanish River and lower Vermilion but that no presence of Sturgeon has been discovered near Xeneca's Wabagishik project. Sturgeon are very prevalent in the Lower Spanish below Espanola – this portion of the river is a known recruitment site for Lake Sturgeon, exact location of spawning grounds unknown.

Notes from meeting with France Gelinas, MPP Nicklebelt

November 6, 2012

France noted that she is already hearing quite a bit of talk from her constituents regarding Xeneca's plan to develop sites at Soo Crossing and Cascade Falls.

She noted that people using the municipally owned Centennial Campground (owned by the City of Sudbury) downstream from the Soo Crossing site are particularly concerned that there may be negative impacts on their recreational activities.

ACTION: FG said she will contact those people who have approached her office with concerns to get permission to have their names sent to Xeneca for response.

ACTION: MH to contact city of Sudbury to get mailing list of seasonal campers at Centennial Park in order that an information letter can be sent to them.

FG suggested that a public meeting, newsletter or advertisement should be contemplated in the short term. Not knowing what is being proposed by Xeneca is leading to speculation that may exaggerate the impact of the projects.

FG offered assistance in communicating Xeneca's projects to her constituents.

ACTION: MH will provide FG will regular updates on the projects.

MH provided FG with an update on the Wabagishik Rapids projects, noting that Notice of Completion is likely to be filed in the next 30-60 days for the Waterpower Class Environmental Assessment.

MH and FG discussed how to manage organized opposition to the projects. Keeping the public informed with accurate information is the best means to ensure proper public decision making.

Meeting with Domtar

November 8, 2012

Attending:

Sharon Semeniuk

Mike Brady, Director Maintenance

Karen Smith, Manager, Quality and Environment

Mark Holmes, Xeneca

Uwe Roeper (via teleconference)

Initial discussion centered on Domtar's operating parameters:

MB explain Domtar operates daily on a range of 649.4 with draw down to 648.7 by 7 p.m. Domtar's daily operations are similar to those of other operators on the system.

Domtar is Operating to target limits but can go higher depending of flows being received.

Turn on the most efficient generator first (Kaplan) and then to less efficient (Frances)

At flows of 3500 cfs Domtar will run both turbines at full capacity on fixed auto with excess spilling.

At flows less than 3500 cfs Domtar operates to a forebay level

Kaplan will run with flows down to 230 to 240 cfs (Horizontal)

Francis (horizontal turbine, vertical generator)

Maximum water that can be processed 3500 cfs

Maximum headpond fluctuation is 3 feet but they try to maintain headpond within a one foot band width.

Kaplan is rated to process 2020 cfs,

Francis is rated at 1600-1700 cfs

Environmental flow is specified as constant and must be maintain at 600 cfs at all times ...

Domtar current operates under an HCI contract with OPA which offers hourly differential pricing. As per FIT contracts peak time is weekdays 11 a.m. to 7 p.m. excluding holidays.

Domtar will be looking for a minimum flow of 6.5 cfs

Vale has no minimum flow requirements at Agnew

Domtar understands Xeneca is passing all water every day within a 24 hour period, process more water in the day and less during evening during periods when flow drop below the facilities rated capacity.

SS reiterated that Domtar must provide instantaneous flow for compensatory flow not daily average and there is concern that Xeneca's intermittent operation could affect forebay levels and downstream flows.

The primary Issue not water levels, but maintain required downstream flows.

SS noted there was a period for about 5 days during which in 2012 when levels fell below 600 CFS dropping to about 450 cfs. Issue was a result of Vale miscalculating flow the week before and sending too much water and then too little as it tried to compensate.

During these periods Domtar had to reduce operations.

Opportunities were discussed regarding cooperative efforts to release a bit more water through Wabagishik Lake during periods of severe and prolonged low water flows.

Domtar needs to work with other operators on the system to ensure Domtar doesn't go into violation of its environmental flow commitments.

Vale provides information on what's coming downstream every 12 hours. Xeneca can provide much more frequent information and be more response to Domtar's needs downstream

Major concern is hold back of water during low flow conditions because Vermilion represents 40 percent of Domtar's flow.

If Xeneca can hold a bit more water and draw down during low flow periods some issues could be resolved.

SS and KS noted that Domtar has open notch on Stobie dam near Chelmsford. Almost 200 cfs always being released but by the time it reached Lorne Falls there almost no effect as water is being extracted for residential, commercial use between Stobie and Lorne Falls.

SS indicated there could be merit in working cooperatively with Xeneca on fisheries and other environmental work.

SS agreed to review MOU provided by Xeneca.

ACTION: Xeneca to continue to provide Domtar with environmental and hydrology/flow data. Rating curve and operating data to be sent to SS.

ACTION: SS to have her legal department review MOU and or potential of a comfort letter which can be sent to MNR assuring them of a cooperative relationship between Xeneca and Domtar.

Xeneca/Domtar Meeting May 16, 2013 Domtar Mill, Espanola

Attending:

Scott Mosher (Domtar General Manager)
Karen Smith (Domtar Manager Quality and Environment)
Joe Cooper (Domtar Engineering)

Mark Holmes (Xeneca) Nava Pokharel (Xeneca) Lynn Moreau (OEL-HydroSys)

Introductions:

MH thanked Domtar for committing time and staff to discuss the Wabagishik GS proposal and the efforts Xeneca has made to ensure there will not be negative impacts on Domtar's operations and environmental obligations.

Opening Remarks:

MH provided background on Xeneca as a company and the Feed-in-Tariff (FIT) process under which Xeneca is proposing to build the Wabagishik facility, as well as 18 other waterpower facilities across Ontario. The Wabagishik draft EA was previously issued to agencies and stakeholders. The project started in 2010, and is contracted under FIT. Wabagishik is due to be commissioned by 2016. The Ontario Waterpower Association Class Environmental Assessment (Class EA) was meant to streamline the process; however, there are many new regulatory requirements as a result.

Xeneca is currently dealing with nine federal and provincial government agencies, possibly up to 17. Xeneca has offered Aboriginal participation in the project, and Xeneca staff have conducted extensive stakeholder consultations. The project was initiated in part due to the Green Energy Act. Historically, there have been a number of different procurement strategies for green energy. These began with the NUG program, then RESOP. The project was identified during an OPG procurement process through development of site maps.

The Wabagishik project has 3.4 MW with a 6 metre potential head. The operation will be highly automated, with remote operation. It will be a very responsive facility...

The Xeneca team has already constructed the Misema GS, which was built in 2005. It is currently working on McGraw Falls which is slated for construction this year. The Wabagishik project will have a 40-year contract.

Timelines associated with completion of the Wabagishik EA, securing permits and approvals and then construction and operation were outlined.

The meeting heard that it would be ideal to have a Memorandum of Understanding (MOU) or Letter of Intent in place with Domtar in advance of the final EA, which is expected to be issued in late June or early July 2013.

Responding to questions from KS, NP said the signal from the Wabagishik project would take about two hours to reach the Domtar headpond.

It was noted that flows in the river reached a low of just 400 – 600 cfs in the summer of 2012. Given that Domtar requires a minimum of 600 cfs to meet its environmental commitments for effluent dilution and water oxygenation, such low flow-events are high problematic.

NP explained that under such low-flow conditions, Xeneca would not hold back water but would instead provide all available flow to Domtar. It was also noted that 60 percent of the flow reaching Domtar is from the Spanish River and about 40 percent originates from the Vermilion.

SM also noted concern over higher flows. With several waterpower operators (Nairn Centre, High Falls on the Spanish River and Lorne Falls on the Vermilion) upstream of Domtar, their facility must process all the water that is sent to them. Another operator on the system could create a situation in which too much water reaches the Domtar headpond. Water that cannot be process through Domtar turbines would have to be spilled and result in a loss of generating revenue.

It was noted that Domtar does not have personnel assigned exclusively to the Espanola hydro generating station. Normally, workers from the mill are called upon to remove or install stop logs, and the plant is then set to operate at a pre-determined headpond level. As such, Domtar cannot easily be responsive to unforeseen flow events.

NP suggested consideration for flow monitoring equipment in the Spanish River near the Highway 17 bridge downstream of Nairn Centre. Xeneca will provide real-time flow information from the Wabagishik GS in the Vermilion, and Domtar could use the data collected from the Spanish and Vermilion rivers to get a measure of total flows expected at the Domtar facility.

COMMITMENT: NP committed Xeneca's assistance to Domtar in optimizing its hydro generation operations.

Natural lake levels must be maintained at Wabagishik Lake with a variation of no more than plus or minus 5 centimeters.

MH and NP explained that, unlike the current operators on the system, Xeneca's Wabagishik facility is fully automated and can respond quickly to either avoid unwanted flow events or to alert Domtar to changing conditions.

SM said there would have to be substantive legal review to ensure indemnification of Domtar.

SM also noted that global adjustment programs also have an impact on Domtar and its generation. Global adjustment can reward large industrial consumers of electricity for generating electricity during high-demand times, and for consuming less during periods of high demand. Conversely, costs can increase for industry for consumption during peak periods.

SM said he remains cautious that Xeneca's Wabagishik plant can operate in a manner that does not cause problems for Domtar. He observed that power generation is not Domtar's core business and that any commitments made by Xeneca must be at no cost to Domtar.

Before an MOU can be signed, SM summarized Domtar's needs as follows:

- 1) Low-flow issue must be resolved to their satisfaction
- 2) No cost to Domtar
- 3) Xeneca must ensure indemnification
- 4) High-flow issues must be resolved
- 5) A good dispute resolution mechanism must be put into place

The meeting heard that Domtar would like an accredited third party review of Xeneca's operating plans and commitments. It was noted that Domtar has used AECOM and Hatch in the past. MH said Xeneca is familiar with and has worked with Hatch. MH said Xeneca will cover reasonable costs associated with the document review.

ACTION: Domtar to seek third party review of Xeneca's operating plan and will provide a cost quote to Xeneca in advance.

ACTION: Xeneca to send KS a copy of the Draft Wabagishik ER.

ACTION: Xeneca to send KS a copy of the draft MOU sent to Domtar in the fall of 2012.

Muriel Kim

Subject:

FW: Wabagishik GS - Final Domtar Meeting Minites_16may13.docx

From: Stephanie Hodsoll

Sent: Thursday, July 18, 2013 3:59 PM

To: 'Smith, Karen (ESP)'

Cc: Mosher, Scott; Cooper, Joe (ESP); Semeniuk, Sharon (ESP)

Subject: RE: Wabagishik GS - Draft Domtar Meeting Minites_16may13.docx

Thanks for your comments, Karen. I appreciate you all taking the time to review the minutes.

I have incorporated your comments in the final version (attached.)

Yours truly, Steph

Stephanie Hodsoll

Stakeholder Relations Xeneca Power Development 5255 Yonge St., Suite 1200 North York, ON M2N 6P4 (416) 590-3077

From: Smith, Karen (ESP) [mailto:Karen.Smith@domtar.com]

Sent: Thursday, July 18, 2013 9:32 AM

To: Stephanie Hodsoll

Cc: Mosher, Scott; Cooper, Joe (ESP); Semeniuk, Sharon (ESP)

Subject: RE: Wabagishik GS - Draft Domtar Meeting Minites_16may13.docx

Hello Stephanie,

Please see our comments below:

Domtar generally agrees with the May 16 meeting minutes as recorded with the following corrections:

- Paragraph 1 (after "Opening remarks" heading) which starts with "MH provided background on Xeneca....". This should be revised to read "Xeneca is <u>proposing</u> to build the Wabagishik facility....."
- Paragraph 11 (after "Opening Remarks" heading) which starts with "It was noted that Domtar does not operate their facility......" This should be revised to read "Domtar does not have personnel assigned exclusively to their Hydro Generating station." The Espanola power facility is operated by on site personnel.

As discussed at the May 16 meeting Domtar cannot endorse this project without additional studies being conducted to ensure that there are no negative impacts on the Domtar, Espanola operation including potential impact on the assimilative capacity of the Spanish river downstream of the Espanola Mill. As was reviewed during the meeting, the EA process has not included potential impacts on the lower Spanish River.

Karen W. Smith P.Eng MBA
Manager Quality and Environment



DomtarDomtar Inc. , 1 Station Rd., Espanola,
Ontario P5E 1R6

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From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: Thursday, July 11, 2013 12:00 PM

To: Mosher, Scott; Smith, Karen (ESP); Cooper, Joe (ESP)

Cc: Stephanie Hodsoll

Subject: RE: Wabagishik GS - Draft Domtar Meeting Minites_16may13.docx

Good morning Scott, Karen & Joe! Just circling back regarding these minutes. Could you please give me an estimate of when you think you will be able to review them? Would the end of next week (July 19) be possible?

Thanks, Steph

Stephanie Hodsoll

Stakeholder Relations
Xeneca Power Development

From: Stephanie Hodsoll

Sent: Wednesday, July 03, 2013 2:56 PM

To: 'scott.mosher@domtar.com'; 'karen.smith@domtar.com'; 'joe.cooper@domtar.com'

Subject: RE: Wabagishik GS - Draft Domtar Meeting Minites_16may13.docx

Hi everyone, Hope you had a nice Canada Day weekend.

Do you think you may be able to have these minutes back to me by the end of next week (July 12)??

Please let me know.

Thanks! Steph

Stephanie Hodsoll

Stakeholder Relations Xeneca Power Development 5255 Yonge St., Suite 1200 North York, ON M2N 6P4 (416) 590-3077

From: Stephanie Hodsoll

Sent: Tuesday, June 18, 2013 10:00 AM

To: scott.mosher@domtar.com; joe.cooper@domtar.com; <a href="mailto:joe.cooper.coo

Hi everyone, just wanted to check in and give a friendly reminder that I had asked for these minutes back by Thursday, June 20.

If you need more time, can you please let me know when you think you will have a chance to review them?

Thank you! Steph

Stephanie Hodsoll

Stakeholder Relations Xeneca Power Development 5255 Yonge St., Suite 1200 North York, ON M2N 6P4 (416) 590-3077

From: Stephanie Hodsoll

Sent: Thursday, June 06, 2013 4:53 PM

To: scott.mosher@domtar.com; 'karen.smith@domtar.com'; joe.cooper@domtar.com

Cc: Semeniuk, Sharon (ESP); Mark Holmes

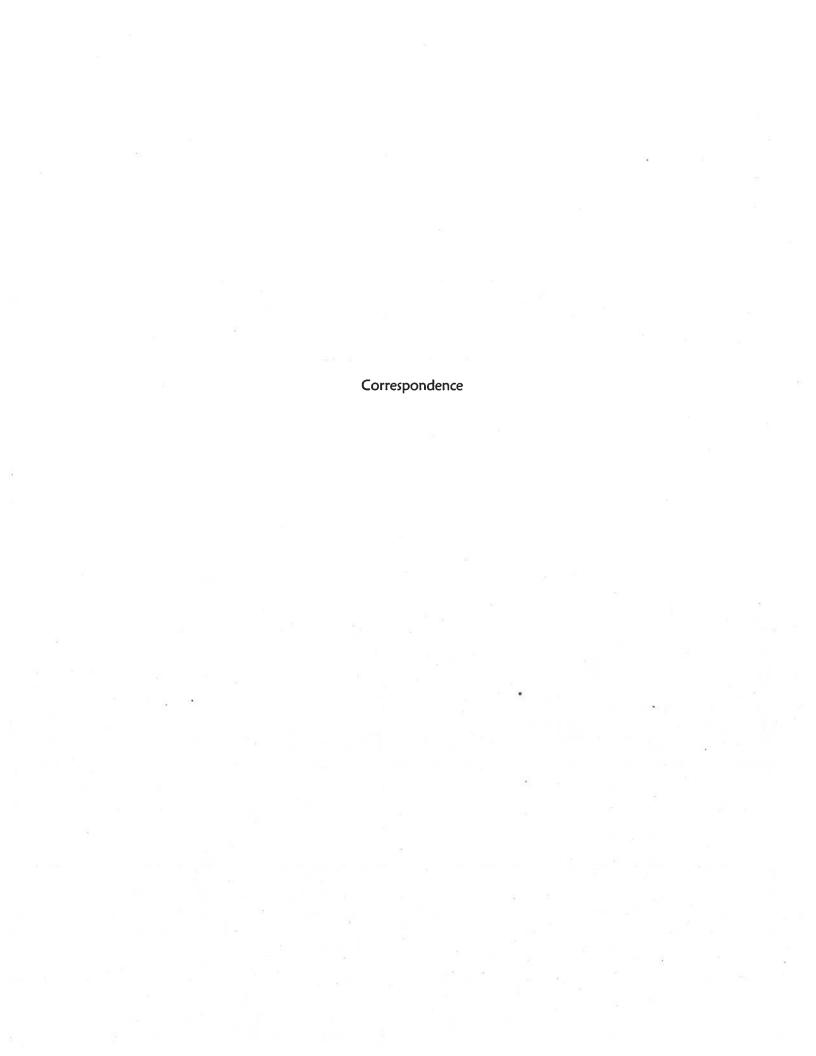
Subject: Wabagishik GS - Draft Domtar Meeting Minites_16may13.docx

Hi everyone,

Please review these draft meeting minutes from your May 16 meeting with Mark, Nava & Lynn.

If you have any edits, it would be greatly appreciated if you could let me know within 2 weeks - by Thursday, June 20.

Thanks, Steph



Linda Heron / Vermilion River Stewardship / Ontario Rivers Alliance

From:

Vanesa Enskaitis

Sent:

Tuesday, November 16, 2010 10:45 AM

To:

Subject:

RE: VERMILLION RIVER DAM PROPOSALS

Categories:

LOGGED

November 16, 2010

Dear Ms. Heron,

Thank you for your interest in the proposed renewable energy projects on the Vermillion River.

I have added your contact details to our Contact List and you will receive project updates as well as notification of **Public Meetings.**

We have tentatively scheduled a Public Information Centre in Sudbury in the end of January 2011, where you will have to opportunity to learn more about the proposed projects.

If you have any other questions, please let me know.

Best regards

Vanesa

Vanesa Enskaitis

Public Affairs Liaison Xeneca Power Development Inc. 5160 Yonge Street, Suite 520 Toronto, ON M2N 6L9 T: 416-590-9362 X 104 F: 416-590-9955

E: venskaitis@xeneca.com

Visit the Xeneca website for the most up-to-date project information: www.xeneca.com

From: Linda Heron

Sent: Monday, November 15, 2010 9:58 PM

To: Vanesa Enskaitis

Subject: VERMILLION RIVER DAM PROPOSALS

Hello! I My name is Linda Heron, and I live at hd the Vermillion River flows through our 140 acre parcel – we own both sides of the river for several hundred feet. I would like to be notified of any public meetings, of what you are proposing, and how these 4 dams will affect the water levels, habitat and life on the river!

Linda Heron

From:

Vanesa Enskaitis

Sent:

Friday, February 04, 2011 11:28 AM

);

Stephanie Hodsoll

_ubject:

FW: PROPOSED DAMS ON VERMILION RIVER

Importance:

High

Categories:

Logged, Public

From: Linda Heron - Vermillion River Stewardship

Sent: Friday, January 14, 2011 6:44 PM To: Mark Holmes; Vanesa Enskaitis

Cc: Clary Gatien

Subject: PROPOSED DAMS ON VERMILION RIVER

Importance: High

Hello!! Since I haven't had a response from you regarding the message below, I am writing again to give it another try.

In addition to answers to the questions below, I would also like copies of the Final Project Descriptions for the McPherson Falls, Cascade Falls & Soo Crossing Projects? I already have a copy of the Wabagishik Final Project Description.

Thanks so much!

Linda Heron Vermillon River Stewardship

From: Linda Heron

Sent: December-08-10 2:27 PM

To: 'mholmes@xeneca.com'; 'Vanesa Enskaitis'
Subject: PROPOSED DAMS ON VERMILLION RIVER

My name is Linda Heron, and I represent the Vermillion River Stewardship. I have already been placed on your list of interested parties, however, as a result of this Project, and one other that is a potential threat to the health of the Vermillon River, the Vermillion River Stewardship has come into being. Please consider the Vermillion River Stewardship as an interested party, and place it on your mailing list - Vermillion River Stewardship as an interested party, and place it on your mailing list - Vermillion River Stewardship as an interested party, and place it on your mailing list - Vermillion River Stewardship as an interested party, and place it on your mailing list - Vermillion River Stewardship as an interested party, and place it on your mailing list - Vermillion River Stewardship as an interested party, and place it on your mailing list - Vermillion River Stewardship as an interested party, and place it on your mailing list - Vermillion River Stewardship as an interested party, and place it on your mailing list - Vermillion River Stewardship as an interested party, and place it on your mailing list - Vermillion River Stewardship as an interested party, and place it on your mailing list - Vermillion River Stewardship as an interested party and place it on your mailing list - Vermillion River Stewardship as an interested party and place it on your mailing list - Vermillion River Stewardship as an interested party and place it on your mailing list - Vermillion River Stewardship as an interested party and place it on your mailing list - Vermillion River Stewardship as an interested party and the stewardship and the stewardship as an interested party and the stewardship a

There is an urgency to this situation because approvals have already been granted and the public were not notified, or given a role or say in the process. The whole feeling of being pretty much in the dark, and having it shoved down our throats isn't a good one!! I would appreciate answers to the following:

- 1. Why were there no public meetings before the dams were approved?
- 2. What influence will 4 dams have on the river, its ecosystem and the local inhabitants!!
 - Public safety if a dam falls, how will it affect those who live downstream?
 - Fish spawning
 - Erosion of habitat and river banks

- Water levels these recent dry summers have already had a negative impact on water levels, will these dams bring water levels even lower?
- 3. Has there been an Environmental Assessment study completed?
- 4. How will these dams improve or benefit our local economy will any share of the profits go back to the local Community?

I am a staunch supporter of green energy, and hydro electric is a wonderful source, however, the public have not been involved in the approval process! When the process involves respect and consideration of everyone and everything involved then it's not so hard to accept, however, in this case any public meeting will be a little after the fact!

Linda Heron Vermilion River Stewardship

From:

Vanesa Enskaltis

Sent:

Friday, February 04, 2011 11:27 AM

_ubject:

Stephanie Hodsoll FW: contact

Categories:

Logged, Public

From: mholmes@xeneca.com [mailto:mholmes@xeneca.com]

Sent: Saturday, January 15, 2011 5:56 PM To: Linda Heron Vermillion River Stewardship Cc: Vanesa Enskaitis; Stephanie Hodsoll

Subject: Re: contact

Hi Linda:

Will be great to meet you monday.

I can give you some info on the Vermillion projects but we don't have anything finalized on the PDs as there are several private landowners with whom we need to make arrangements. Those arrangements will affect the PDs.

Will be happy to share info when available.

Mark

Sent from my BlackBerry device on the Rogers Wireless Network

From: "Linda Heron Vermillion River Stewardship"

Date: Sat, 15 Jan 2011 15:46:02 -0500 To: 'Mark Holmes'<mholmes@xeneca.com>

Subject: RE: contact

Hello Mark!! Yes, I will be coming down with France Gelinas on Monday, and will have some questions. In the meantime I would like to see the Final Project Descriptions for McPherson, Cascade and Soo Falls - are they available to the public yet?

Linda Heron Vermilion River Stewardship

From: Mark Holmes [mailto:mholmes@xeneca.com]

Sent: January-14-11 6:34 PM To: vermillionRiver@rogers.com

Subject: contact

'inda:

My name is Mark Holmes and I am Xeneca Vice President of Corporate Affairs. We have receive some e-mail correspondence from you, and your MPP France Gelinas has been in contact with us regarding our waterpower projects on the Vermillion and Wanapitia Rivers.

I understand that you and/or members of the Vermillion Stewardship Committee are planning to attend next Monday'[s Public Information Meeting for our Allen Struthers Project and we look forward to meeting you in person, answering arquestions and hopefully setting up future meetings in order that we can work together on this and perhaps some of our other projects.

If you wish to speak in advance of Monday's meeting I can be reached at 416-705-4283.

Very best regards,

Mark Holmes
Vice President
Corporate Affairs
Xeneca Power Development

5160 Yonge St. North York M2N 6L9

416-590-9362 416-590-9955 (fax) 416-705-4283 (cell)

mholmes@xeneca.com

www.xeneca.com

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From:

Vanesa Enskaitis

Sent:

Friday, February 11, 2011 4:40 PM

2:

Stephanie Hodsoll

Jubject:

FW: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY 2011 PUBLIC

MEETING - COMMENT FORM

Follow Up Flag: Flag Status:

Follow up Completed

Categories:

Logged, Public

----Original Message----

From: Linda Heron

Sent: Tuesday, January 25, 2011 11:13 PM

To: Vanesa Enskaitis

Subject: RE: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY 2011 PUBLIC MEETING --

COMMENT FORM

Thanks Vanesa!! We would appreciate receiving the Final Descriptions for the McPherson, Cascade and Soo Crossing dam proposals!!

Linda

·---Original Message----

rom: Vanesa Enskaitis [mailto:VEnskaitis@xeneca.com]

ent: January-25-11 12:37 PM

To: Linda Heron

Subject: RE: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY 2011 PUBLIC MEETING --

COMMENT FORM

Hi Linda.

I've been away from my desk for a few weeks, hosting other PICs in the North, so please forgive my delay.

We will be preparing minutes from the various PICs in late February, early March - so I can get that to you then.

Do you have an additional request at this time?

vanesa

----Original Message----

From: Linda Heron [

Sent: Tuesday, January 25, 2011 10:37 AM

To: Vanesa Enskaitis

Cc: Mark Holmes

Subject: RE: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY

2011 PUBLIC MEETING -- COMMENT FORM

Importance: High

allo Vanesa!! I am also requesting a copy of the Final Minutes/Report containing all the estions and answers from the other participants at that public meeting!! Thanks so much!

Linda Heron Vermilion River Stewardship

From: Vanesa Enskaitis [mailto:VEnskaitis@xeneca.com]

Sent: January-25-11 10:06 AM

Subject: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY 2011 PUBLIC MEETING --

COMMENT FORM
Importance: High

Your message

To: Vanesa Enskaitis

Cc: Mark Holmes; kivin@ndp.on.ca

Subject: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY 2011

PUBLIC

MEETING-COMMENT FORM

Sent: Mon, 24 Jan 2011 18:44:04 -0500

was read on Tue, 25 Jan 2011 10:06:05 -0500

Caitlin Kenny

From:

Karen Fortin

Sent:

February-08-11 1:36 PM

To:

'Linda Heron'

Cc:

'Vanesa Enskaitis'

Subject:

RE: VERMILION RIVER PROPOSED DAMS - EA COORDINATION MEETING MINUTES

Hello Ms. Heron

Thank you for your call this afternoon.

As I mentioned, the EA Coordination meeting for the Wabagishik Rapids is presently underway in Sudbury. This is a planning meeting for federal, provincial and municipal regulators, and meeting minutes are distributed to the participants. I believe there is a representative from the Greater City of Sudbury at the meeting but I unable to confirm this since my colleagues are presently in the meeting.

EA meeting minutes, and any other regulatory meeting minutes are included in the environmental assessment report as part of the record of consultation.

As noted during our conversation, Xeneca has yet to issue project descriptions for the remaining Vermillion sites.

Regards,

Karen

From: Linda Heron

Sent: Tuesday, February 08, 2011 1:17 PM

To: Karen Fortin
Cc: 'Vanesa Enskaitis'

Subject: VERMILION RIVER PROPOSED DAMS - EA COORDINATION MEETING MINUTES

Hello Karen! As per our telephone conversation, I am writing to request a copy of the Minutes of the EA Coordination Meeting, being held today in Sudbury, as well as all future meetings with regard to this project and the EA process.

I am also asking to be placed on your mailing list to receive any updates or information relating to the Wabagishik Rapids, McPherson Falls, Cascade Falls, and Soo Crossing proposed dams project.

Early engagement by the public in the EA process, as recommendation in section 6.2.2 of the Class EA Process, will go a long way towards building trust and confidence in the process, something that has been very lacking to date.

I thank you for your help!

Linda Heron, Chair Vermilion River Stewardship

From:

Vanesa Enskaitis

Jent:

Wednesday, February 09, 2011 10:34 AM

To:

Stephanie Hodsoll

Subject:

FW: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

Categories:

Community, Logged, Public

From: Patrick Gillette

Sent: Tuesday, February 08, 2011 5:20 PM

To: Linda Heron

Cc: Mark Holmes; Ed Laratta; Vanesa Enskaltis

Subject: RE: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

Thank you Linda; your questions and comments are being distributed to the correct staff in my office and logged for response within the Class EA process.

I appreciate the time you have taken and we will be addressing the issues you have raised once we have completed all technical studies.

I will also ask staff to make your aware of the Open House date once that has been set and other opportunities to review how the issues you have raised can be addressed by the proponent and further opportunities for you to comment on our response.

Thank you for your kind consideration and if you have any questions please contact us and Mark Holmes will be happy to work with your organization.

Best regards,

Patrick

Patrick W. Gillette BA, MES, MPA 5160 Yonge Sttreet Suite 520 North York, Ontario, Canada M2N 6L9

Tel: 416-590-9362 Cell: 416-697-4004 Fax: 416-590-9955

From: Linda Heron [

Sent: Tuesday, February 08, 2011 2:22 PM

Cc: Patrick Gillette

Subject: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

Importance: High

Please find attached a letter from the Vermilion River Stewardship. I have also attached an expandable Word document - Addendum 4, which will expand for your convenience in answering our questions.

This letter will also be sent to Xeneca by Registered Mail.

I look forward to your response!

Linda Heron, Chair Vermilion River Stewardship



8 February 2011

BY REGISTERED LETTER

Xeneca Power Development Inc. 5160 Yonge Street, Suite 520 Toronto, Ontario M2N 6L9

Attention:

Mr. Mark Holmes

Vice President, Corporate Affairs

Re:

Vermillion River Proposed Dam Projects

Dear Mr. Holmes:

Please accept this as a formal request by the Vermilion River Stewardship (VRS) for all documentation pertaining to the Vermilion River Dam Projects, to be made available immediately, and notify VRS when any new documents pertaining to this Project are available!

Obtaining documentation, answers to questions, and details of these projects has been a major challenge, and VRS still has not received a Project Description (PD) for McPherson Falls, Cascade Falls, or Soo Crossing, some six months after the Notice of Commencement was apparently issued – it's hard to tell because no date appears on this document.

In "A Citizens Guide to Understanding the EA Process in Waterpower Projects", it states the very first step in Phase 1 is to have a PD prepared, and the Notice of Commencement begins in Phase 2. We are in Phase 2 and still no PD for 3 of our Projects. VRS only found the Wabagishik Final PD by doing a Google search, and noticed it was available for downloaded from the OEL-Hydrosis website. This PD should have been available on Xeneca's website for download, or a link to where it could be found.

On 8 December 2010 VRS sent an email to Xeneca to inform of our interest in the Vermillion River Proposed Dams, and asked questions for which we have never received a reply. See *Addendum 1* for a copy of my message and your reply (a full history of our communications is available on request). It was only after France Gelinas, our local MPP, spoke to you on our behalf that you even acknowledged the interests of the VRS.

VRS cannot properly assess nor have meaningful input to these proposed dams when you are not providing the detailed information. Details such as the Inco Public Drinking Water Intake servicing 13,000 people living in Lively, Naughton, Whitefish and Copper Cliff, located within meters of the base of Cascade Falls – see *Addendum 2*.

Attached is a "Notice of Commencement Publish Dates" (NCPD) document, Addendum 3, which I downloaded in December. In this document there was no mention of the Revised Notice of Commencement which was dated 4 November 2010. There was also no indication that the Notice of Commencement for McPherson, Cascade or Soo Crossing was ever published in the local papers. There is an indication that the Notice of Commencement for Wabagishik was published in the Mid North Monitor on 28 July & 4 August 2010, but not in the Sudbury Star. Your website does not have an updated version of this NCPD document, and the old version is now gone. I only became aware of a Revised Notice of Commencement a few days ago when I visited your site and noticed you had more documents available for download.

On 17 January 2011, I attended the Wanapitei Public Meeting on behalf of VRS, and at that time asked you for the PDs and for the digital file of the slide presentation made by Xeneca to Sudbury City Council in September 2010. You verbally indicated the PDs wouldn't be ready for several weeks. On 18 January you emailed the City Council Presentation to us with this message: "By removing some of the generic material not related to the projects, I managed to get the attached presentation to a size I could send you.

This is essentially what I presented to France and to the City of Sudbury in November." If Information did not pertain to the Project then why was it in there in the first place? What was edited out? Why has this presentation never been made to the public?

One of the stipulations of the EA process is that notice is a mandatory point of contact and must be directly provided to adjacent and potentially affected riparian landowners and tenants. i and many others in our Stewardship are landowners living on the banks of the Vermillon River, and were never notified by Xeneca. I personally only found out about these Make all pertinent documentation available to the public in a timely fashion;

- Make every effort to notify all people affected by these proposed dams;
- Answer all questions and enquiries when requested; and
- Create trust, clarity, transparency and respect.

VRS looks forward to receiving the requested information, and your response!

Sincerely,

Linda Heron

Chair, Vermilion River Watershed Stewardship

Enclosures - 4

Cc:

The Honourable John Wilkinson, Minister of the Environment 77 Wellesley Street West 11th Floor, Ferguson Block Toronto ON M7A 2T5

Ms. France Gelinas, Nickel District MPP Hanmer Valley Shopping Plaza Suite 15 5085 Highway 69 North Hanmer, ON P3P 1P7

Rick Bartolucci, MPP Sudbury 93 Cedar Street, Unit 302, Sudbury, ON P3E 1A7

Mayor Marianne Matichuk City of Greater Sudbury mayor@greatersudbury.ca

Jacques Barbeau, Councillor, Ward 2 jacques.barbeau@greatersudbury.ca

Mr. Patrick Gillette, President Xeneca Power Development Inc. 5160 Yonge Street, Suite 520 Toronto, ON M2N 6L9

Paul Sajatovic, General Manager Nickel District Conservation Authority 200 Brady St., 1st Floor Tom Davies Square Sudbury, ON P3E 5K3

Carolyn Hunt
Inco Environmental Group
18 Rink Street
Copper Cliff, ON P0M 1N0

Addendum 1 - Correspondence Between Vermilion River Stewardship & Xeneca

From: Mark Holmes [mailto:mholmes@xeneca.com] Sent: January-14-11 6:34 PM To: vermillionRiver@rogers.com Subject: contact	Linda:	My name is Mark Holmes and I am Xeneca Vice President of Corporate Affairs. We have receive some e-mail correspondence from you, and your MPP France Gelinas has been in contact with us regarding our waternower projects on the Vermillian and	I understand that you and/or members of the Vermillion Stewardship Committee are planning to attend next Monday [s Public information	Meeting for our Allen Struthers Project and we look forward to meeting you in person, answering any questions and hopefully setting up future meetings in order that we can work together on this and perhaps some	of our other projects.	ii you wish to speak in advance of Monday's meeting I can be reached at 416-705-4283.	Very best regards,	Mark Holmes	Vice President Corporate Affairs	Xeneca Power Development	Sabo Yonge St. North York	M2N 6L9	416-590-9955 (fax)	416-705-4283 (cell)	mholmes@xeneca.com
14 Jan. 2011															
From: Linda Heron [mailto:VermillionRiver@Rogers.com] Sent: December-08-10 2:27 PM To: 'mholmes@xeneca.com'; 'Vanesa Erskaitis' Subject: PROPOSED DAMS ON VERMILLION RIVER My name is Linda Heron, and I represent the Vermillion River	Stewardship. I have already been placed on your list of interested parties, however, as a result of this Project, and one other that is a	potential uneat to the health of the Vermillion River, the Vermillion River Stewardship has come into being. Please consider the Vermillion River Stewardship as an interested party, and place it on your mailing fist - <u>vermillionriver@rogers.com</u> ! There is an urgency to this situation because approvals have	already been granted and the public were not notified, or given a role or say in the process. The whole feeling of being pretty much in the dark, and having it shoved down our throats isn't a good one!! I would appreciate answers to the following:	Why were there no public meetings before the dams were approved? What influence will 4 dams have on the river, its ecosystem	Public safety – if a dam fails, how will it affect those who live downstream?	Fish spawning Erosion of habitat and river banks	Water levels – these recent dry summers have already had a negative impact on water levels, will these dams bring water levels even lower?	Has there been an Environmental Assessment study completed?	How will these dams improve or benefit our local economy – will any share of the profits go back to the local Community?	I am a staunch supporter of green energy, and hydro electric is a	wonderial source, nowever, are public have not been involved in the approval process! When the process involves respect and	consideration of everyone and everything involved then it's not so hard to accept, however, in this case any public meeting will be a	little after the fact!	Linda Heron Vermillion River Stewardship	



Addendum - 3 Noti	ce of Commencemer	it -
oject	Publication	Run Date
		A STATE OF THE SECOND
		July 13, 2010
Big Eddy	Pembroke Daily Observer	July 16, 2010
		持多的使作為其
		July 14, 2010
Four Slide Falls	Elliot Lake Standard	July 16, 2010
McCarthy Chute		
Ivanhoe: Third Falls	Timmins Daily Press	July 28, 2010
Ivanhoe: The Chute		July 31, 2010
		建筑地区域
		July 29, 2010
Wanatango Falls	Cochrane Times Post	August 6, 2010
A CONTRACT OF THE SAME OF THE		
		July 28, 2010
Middle Twp. Buchan	Kapuskasing Northern Times	August 5, 2010
Lapinigam Rapids		
Near North Boundary		
Outlet Kapuskasing Lake		
		July 28, 2010
Larder & Raven	Northern Daily News	July 30, 2010
Marter Twp.		
为1900年1000元日本的1800年1000年1000年1000年1000年1000年1000年1000	经验证的	不是一个人的
		July 28, 2010
Allen & Struthers	Sudbury Star	July 31, 2010
At Soo Crossing		
Cascade Falls		
:Pherson Falls		
		July 28, 2010
Wabageshik	Mid North Monitor	August 4, 2010
	医脱毛 医医阴道性 经基础	

Addendum 4 - Vermilion River Stewardship - Request Document

i i f	PLEASE PROVIDE THE FOLLOWING:	DATE:		XENECA REPLY:		
-1	Project Descriptions for McPherson Falls, Cascade Falls & Soo Crossing.	-				
5	List of dates and newspapers in which all Notices were published.	2	1			
3	Answers to questions contained in VRS December 8 ^a , 2010 email message.	3				
4	Date when Public Consultation Meetings will be held.	4				
ည	Date Xeneca's Public Communications Plan was published.	S.				
9	Full unedited slide presentation made to Sudbury City Council in September of 2010 made available on your website for download.	ဖ			779	
7	Date when the Notice of Completion will be published.	7	7			
ထ	Details on how you will protect the inco Public Drinking Water Intake from the sediment and heavy metals chumed up daily from the tail race.	ω	breale			
တ	Details of how you plan to protect the public at the Centennial Park swim area, located very close to the proposed Soo Crossing Dam.	o,				
5	Details of how you will protect the passage of fish, spawning grounds, aquatic life, the ecosystem, and natural habitat.	10	11.11			
11	Details of how you will protect our endangered species and species at risk.	11				
12	Details of how you plan to generate power throughout several summer months of very low water levels & flow?	12				
13	Answers to all questions and answers generated at the Wanapitei public meeting.	13	1			
L	PLEASE ANSWER THE FOLLOWING QUESTIONS:	-				
2	Will McPherson Falls, Cascade Falls and Soo Crossing all be treated as one System in the EA?	2				
3	What will the minimum committed residual flows over the dams be?	က				
4	What will the full power turbine flow be at each dam?	4				
מו	How many times each day will water be held back and then released with modified peaking?	22	1		1 1 1 2 1 3 2 3 3 3 3 3 3 3 3 3 3	

From:

Stephanie Hodsoll

nt:

Thursday, February 10, 2011 10:06 AM

RE: CURRENT DAM CONSTRUCTION

Categories:

Logged, Public

Good morning Lindal

OK great. To answer your question: Xeneca management (including our CEO, COO & Mark) gained extensive experience with their previous company, Canadian Renewable Energy Corporation (CREC). CREC bullt Misema GS, near Englehart, as well as several windpower developments. CREC was purchased by the Canadian Hydro Developers of Alberta, and subsequently Xeneca was formed. Xeneca has one project going to construction this year (McGraw Falls) and 18 other projects with FIT contracts. If you need more detail on any of this, please give Mark a call.

As well, as follow-up to your conversation with Mark yesterday, the Notice of Commencement (NOC) for Vermilion ran in the Sudbury Star & The Mid-North Monitor on the following dates:

Sudbury Star - 2010

July 28

July 31

August 21

August 25

Updated NOC - November 10 & November 13

Mid-North Monitor - 2010

July 28

August 4

August 25

September 10

Updated NOC - November 10 & November 17

I am currently in the process of obtaining a list of existing structures on the Vermillon, and Mark will be sending you the presentation you discussed shortly.

Please let me know if you have any more questions.

Thanks!

Steph

Stephanie Hodsoll

Public Affairs Liaison Xeneca Power Development 5160 Yonge St., Suite 520 North York, ON M2N 6L9 T: 416-590-9362 X 112 F: 416-590-9955

ww.xeneca.com

From: Linda Heron

Sent: Wednesday, February 09, 2011 8:30 PM

To: Stephanie Hodsoll

Subject: RE: CURRENT DAM CONSTRUCTION

Hi Steph! No, Mark didn't answer the questions below, and I would like the answers please. Thanks Steph!

Linda

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: February-09-11 10:28 AM To: linda.heron@rogers.com

Subject: RE: CURRENT DAM CONSTRUCTION

February 9, 2011

Hi Linda,

How are you doing today? My name is Steph Hodsoll and I started working with Mark and Vanesa at the beginning of January. I was at the Allen & Struthers Public Information Centre in January but I don't believe that we met face-to-face. From here on, I am going to be tracking the emalls that come in regarding our proposed Vermilion River projects, so please feel free to email me with whatever questions/requests you have. As you know, not all information is available yet as we are still going through the Class EA process, but I will work to get you the available information.

I know that you've spoken with Mark Holmes on various occasions, and that he is trying to arrange a call for today/this week. Just wondering if this question below is still outstanding? Please let me know what information you need.

Thanks!

Yours truly, Steph

Stephanie Hodsoll

Public Affairs Liaison Xeneca Power Development 5160 Yonge St., Suite 520 North York, ON M2N 6L9 T: 416-590-9362 X 112 F: 416-590-9955

From: Linda Heron [

www.xeneca.com

Sent: Tuesday, January 18, 2011 9:04 AM

To: Vanesa Enskaitis

Subject: CURRENT DAM CONSTRUCTION

Good morning Vanesa!! Can you please give me a list of the Xeneca dams that are in construction at present, as well as a list of completed dams. Thanks so much!

Linda Heron Vermillon River Stewardship

From:

Mark Holmes

nt:

Friday, February 11, 2011 9:53 AM Vanesa Enskaitis; Stephanie Hodsoll

Subject:

FW: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

Follow Up Flag: Flag Status:

Follow up Flagged

Categories:

Public, Logged

Please put this commitment into a follow up file.

Thanks

Mark

From: Linda Heron [

Sent: February 10, 2011 7:00 PM

To: Mark Holmes

Subject: RE: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

Thanks Mark!

da

From: Mark Holmes [mailto:mholmes@xeneca.com]

Sent: February-10-11 3:20 PM

To: Linda Heron

Subject: RE: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

Yes:

We will send you and the VSC a copy and it will be posted on our website.

Mark

From: Linda Heron [

Sent: February 9, 2011 4:22 PM

To: Mark Holmes

Subject: RE: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

When you have identified land ownership and impacts, will the PD be released at that time?

Linda

From: Mark Holmes [mailto:mholmes@xeneca.com]

'nt: February-09-11 11:18 AM

: Linda Heron

Subject: RE: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

Linda:

We will not be scheduling a public meeting until we have completed work identifying land ownership and impacts.

Please call me.

Thanks

Mark

From: Linda Heron [

Sent: February 8, 2011 9:39 PM

To: Patrick Gillette

Cc: Mark Holmes; Ed Laratta; Vanesa Enskaltis

Subject: RE: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

Vermillion River Stewardship would like to have all 4 Project Descriptions in our hands before a public meeting is called. There is no point in holding a public meeting until we know what questions to ask, and we won't know what questions to ask until we get the PDs. When will they all be sent to us?

Linda Heron Vermillon River Stewardship

From: Patrick Gillette [mailto:pgillette@xeneca.com]

Sent: February-08-11 5:20 PM

To: Linda Heron

Cc: Mark Holmes; Ed Laratta; Vanesa Enskaitis

Subject: RE: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

Thank you Linda; your questions and comments are being distributed to the correct staff in my office and logged for response within the Class EA process.

I appreciate the time you have taken and we will be addressing the issues you have raised once we have completed all technical studies.

I will also ask staff to make your aware of the Open House date once that has been set and other opportunities to review how the issues you have raised can be addressed by the proponent and further opportunities for you to comment on our response.

Thank you for your kind consideration and if you have any questions please contact us and Mark Holmes will be happy to work with your organization.

Best regards,

Patrick

Patrick W. Gillette BA, MES, MPA 5160 Yonge Sttreet Suite 520 North York, Ontario, Canada M2N 6L9 Tel: 416-590-9362 Cell: 416-697-4004 Fax: 416-590-9955

.om: Linda Heron

Sent: Tuesday, February 08, 2011 2:22 PM

Cc: Patrick Gillette

Subject: VERMILION RIVER PROPOSED DAMS - LETTER OF REQUEST

Importance: High

Please find attached a letter from the Vermilion River Stewardship. I have also attached an expandable Word document - Addendum 4, which will expand for your convenience in answering our questions.

This letter will also be sent to Xeneca by Registered Mail.

I look forward to your response!

Linda Heron, Chair Vermilion River Stewardship

From:

Mark Holmes

`ent:

Monday, February 14, 2011 11:14 AM

o: Cc: Linda Heron; Stephanie Hodsoll; Vanesa Enskaitis

Subject:

Tami Sugarman RE: Linda Heron

Categories:

Logged, Public

Linda:

The EA coordination meetings are set up to facilitate frank and open discussion on government agency and municipal roles within the process. These are often technical discussions. The public is not invited to these meetings, and, as such I would have to confer with the participants if they wish these minutes to be released.

Mark

----Original Message-----From: Stephanie Hodsoll

Sent: February 14, 2011 10:24 AM

To: Mark Holmes Subject: Linda Heron

Hi Mark, Should I just suggest that if she would like to raise concerns about the process she should contact the MOE?

Stephanie Hodsoll Public Affairs Liaison Xeneca Power Development 5160 Yonge St., Suite 520 North York, ON M2N 6L9 T: 416-590-9362 X 112

F: 416-590-9955 www.xeneca.com

----Original Message----

From: Linda Heron [

Sent: Sunday, February 13, 2011 11:47 PM

To: Stephanie Hodsoll

Subject: RE: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY 2011 PUBLIC MEETING --

COMMENT FORM

Again, these are the types of things that would demonstrate cooperation and transparency on the part of Xeneca.

Linda Heron Vermilion River Stewardship

----Original Message----

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

ent: February-11-11 3:32 PM

To: Linda Heron

Subject: RE: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY 2011 PUBLIC MEETING -- COMMENT FORM

Hi Linda.

Hope you're having a nice Friday. Just following up on your request below. All of the information that you have requested regarding the PICs will be available in the Waterpower Class EA when it is finalized. We'll make sure to notify you of that - but as you know, we're still a ways off from that.

Again, if you have any questions about this, please feel free to call Mark.

Have a nice weekend!

Your truly, Steph

Stephanie Hodsoll
Public Affairs Liaison
Xeneca Power Development
5160 Yonge St., Suite 520
North York, ON M2N 6L9
T: 416-590-9362 X 112
F: 416-590-9955
www.xeneca.com

----Original Message----From: Vanesa Enskaitis

Sent: Friday, February 04, 2011 11:18 AM

: Stephanie Hodsoll

Subject: FW: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY

2011 PUBLIC MEETING -- COMMENT FORM

----Original Message----From: Vanesa Enskaitis

Sent: Tuesday, January 25, 2011 12:37 PM

To: Linda Heron

Subject: RE: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY

2011 PUBLIC MEETING -- COMMENT FORM

Hi Linda,

I've been away from my desk for a few weeks, hosting other PICs in the North, so please forgive my delay.

We will be preparing minutes from the various PICs in late February, early March - so I can get that to you then.

Do you have an additional request at this time?

vanesa

----Original Message----

rom: Linda Heron [

nt: Tuesday, January 25, 2011 10:37 AM

To: Vanesa Enskaitis

Cc: Mark Holmes

Subject: RE: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY

2011 PUBLIC MEETING -- COMMENT FORM

Importance: High

Hello Vanesa!! I am also requesting a copy of the Final Minutes/Report containing all the questions and answers from the other participants at that public meeting!! Thanks so much!

Linda Heron

Vermilion River Stewardship

From: Vanesa Enskaitis [mailto:VEnskaitis@xeneca.com]

Sent: January-25-11 10:06 AM

Subject: Read: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY 2011 PUBLIC MEETING --

COMMENT FORM Importance: High

Your message

To: Vanesa Enskaitis

Cc: Mark Holmes; kivin@ndp.on.ca

Subject: PROPOSED WANAPITEI RIVER DEVELOPMENT - 17 JANURAY 2011

PUBLIC

MEETING-COMMENT FORM

Sent: Mon, 24 Jan 2011 18:44:04 -0500

was read on Tue, 25 Jan 2011 10:06:05 -0500

From:

Linda Heron

nt:

Wednesday, February 16, 2011 7:38 PM

ာ:

Stephanie Hodsoll

Subject:

RE: Confirmation of receipt - Registered mail

Categories:

Logged, Public

Thanks Steph for letting me know you received the letter! Much appreciated!

Linda

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: February-16-11 11:36 AM **To:** linda.heron@rogers.com

Subject: Confirmation of receipt - Registered mail

February 16, 2011

Hi Linda,

This message is to acknowledge receipt of your letter via registered mail. It arrived last Thursday, February 10.

I am working on getting the answers and will respond in a timely manner.

Yours truly,

Stephanie Hodsoil

Public Affairs Liaison Xeneca Power Development 5160 Yonge St., Suite 520 North York, ON M2N 6L9 T: 416-590-9362 X 112 F: 416-590-9955 www.xeneca.com

From:

Linda Heron

Sent:

Thursday, February 17, 2011 7:22 PM

To:

Stephanie Hodsoll

Subject:

RE: A FEW LETTERS I SENT OUT THIS WEEK

Hi Stephanie! As I said in my earlier email — I was sending the message to one of our Executive, but in outlook when you start to type in a name in the address part, a name is suggested by Outlook, and voila, I didn't check close enough and sent it to Vanessa, when I really wanted to send it to Violet. Just ignore the message, it was intended for someone else.

Linda

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: February-17-11 1:49 PM **To:** linda.heron@rogers.com

Subject: RE: A FEW LETTERS I SENT OUT THIS WEEK

Hi Linda, Hope you're doing well today.

Just following up on this - not sure what this email is about? Please clarify.

Thank you! Steph

Stephanie Hodsoll

Public Affairs Liaison Xeneca Power Development 5160 Yonge St., Suite 520 North York, ON M2N 6L9 T: 416-590-9362 X 112 F: 416-590-9955

From: Vanesa Enskaltis

www.xeneca.com

Sent: Friday, February 11, 2011 4:45 PM

To: Stephanie Hodsoll

Subject: FW: A FEW LETTERS I SENT OUT THIS WEEK

From: Linda Heron [

Sent: Wednesday, February 09, 2011 7:28 PM

To: Vanesa Enskaitis

Subject: A FEW LETTERS I SENT OUT THIS WEEK

Hi Vanesal! Sorry I put your name in by mistake – this was going to my Executive – these new Outlook programs can be too efficient sometimes. Anyway – just ignore it.

These two emails are just the Vermilion River Stewardship stuff over the last week - the Alliance stuff is wayyyyyy more.

From:

Vanesa Enskaitis

ent:

Thursday, February 24, 2011 12:22 PM

o: Cc: Stephanie Hodsoll

Subject:

Mark Holmes
FW: Ontario Rivers Alliance —PRESS RELEASE - Distribute 10AM, Thursday, Feb. 24

Importance:

High

From: Linda Heron [

Sent: Thursday, February 24, 2011 11:05 AM

To: Linda Heron

Subject: Ontario Rivers Alliance -- PRESS RELEASE - Distribute 10AM, Thursday, Feb. 24

Importance: High

MEDIA RELEASE

Feb. 24, 2011

Alliance concerned about river power proposals

SUDBURY, Ont. -- Environmentalists, recreational users and tourism operators have formed a coalition to protect the health of Ontario river systems.

"We are hearing concerns from across Ontario that the provincial government's Green Energy Act could tually damage our ecosystems," says Linda Heron, interim chairperson for the Ontario Rivers Alliance. "Like most people in this province, our members thought green energy would involve projects that would produce power without causing environmental harm. But our research indicates that the government needs help in assessing what damage might be caused to our watersheds by energy producers whose prime motivation seems to be profit."

Heron said that lack of shared information about the impacts of proposed hydro-electric dam projects was a common thread in concerns expressed by participants in the inaugural ORA meeting. Heron, a member of the Vermilion River Stewardship -- one of 13 river systems represented to date by alliance members – said the meeting attracted attendees from the Muskokas in the south to as far north as Timmins.

"We heard from marina owners, engineers, paddlers and First Nations citizens—all of whom came together in a common cause: to speak up for healthy rivers," she said. "We feel we can play a key role in raising public awareness about the importance of our most precious natural resource – our water."

The Ontario Rivers Alliance is expanding its network and canvassing prospective members in advance of a meeting scheduled for April 2nd in North Bay.

CONTACT:

Linda Heron

Ontario Rivers Alliance

el:

Email: <u>IndaH@OntarioRiversAllance</u>.ca

Stephanie Hodsoll

From:

Linda Heron I

Sent:

Tuesday, March 01, 2011 3:13 PM

To: Subject: Stephanie Hodsoll RE: Follow-up

Categories:

Logged, Public

Yes, my telephone number is

Thanks Stephanie!

Linda

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: March-01-11 2:42 PM

To: Linda Heron

Subject: RE: Follow-up

Hi Linda,

Great. Mark will call you. He might be a few minutes late, depending on traffic. Can you please send your phone

number? Thanks! Steph

Stephanie Hodsoll

Public Affairs Liaison Xeneca Power Development 5160 Yonge St., Suite 520 North York, ON M2N 6L9 T: 416-590-9362 X 112 F: 416-590-9955

www.xeneca.com

From: Linda Heron [

Sent: Tuesday, March 01, 2011 2:32 PM

To: Stephanie Hodsoll Subject: RE: Follow-up

HI Stephanie! Yes, I will be available for a call from Mark on Thursday morning at 9:00 am, if that works for him! Please

just confirm. Thanks!

Linda Heron, Chair Vermilion River Stewardship **Ontario Rivers Alliance**

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: March-01-11 2:02 PM To: linda.heron@rogers.com

Subject: Follow-up

Tuesday, March 01, 2011

Hi Linda!

Just wanted to touch base and let you know that we are still working to get your questions answered. Thank you for patience as we work to provide you with accurate and complete information.

Do you have some time later this week to speak to Mark? He'd like to arrange a phone call with you if possible. Please advise. He has lunch commitments tomorrow (Wednesday) and Friday but is otherwise available.

Thanks you!

Steph

Stephanie Hodsoll
Public Affairs Liaison
Xeneca Power Development
5160 Yonge St., Suite 520
North York, ON M2N 6L9
T: 416-590-9362 X 112
F: 416-590-9955
www.xeneca.com

Caitlin Kenny

From:

Mark Holmes <mholmes@xeneca.com>

Sent:

March-14-11 2:45 PM

To:

Linda Heron Vermillion River Stewardship

Cc:

Vanesa Enskaitis; Tami Sugarman; Bob Robinson - MNR; France Gelinas; Laurie

Brownlee (ENE) - MOE

Subject:

RE: AS PER OUR CONVERSATION

Linda:

Please try to understand that we are making every effort to accommodate your group as well as many others with interest in this project. As an NGO, VSC has received every consideration, and, in fact, has earned a greater response than any other similar organization. To suggest otherwise is not factual or reflective of our recent conversations nor of our ongoing efforts to consult, inform and accommodate.

Linda, quite simply, the rhetoric expressed below does not normally engender a better exchange of information.

We will continue to work with you and the VSC and we will strive to provide as much advance notice of meetings as possible.

Best regards,

Mark Holmes Vice President Corporate Affairs Xeneca Power Development

5160 Yonge St. North York M2N 6L9

416-590-9362 416-590-9955 (fax) 416-705-4283 (cell)

mholmes@xeneca.com

www.xeneca.com

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----Original Message----

From: Linda Heron Vermillion River Stewardship

Sent: March 14, 2011 1:35 PM

To: Mark Holmes

Cc: Vanesa Enskaitis; 'Tami Sugarman'; Bob Robinson - MNR; France Gelinas; Laurie Brownlee (ENE) - MOE

Subject: RE: AS PER OUR CONVERSATION

Good morning Mark! As I stated in my letter to you dated 8 February 2011, "Please accept this as a formal request by the Vermilion River Stewardship

(VRS) for all documentation pertaining to the Vermilion River Dam Projects, to be made available immediately, and notify VRS when any new documents pertaining to this Project are available!"

It is unacceptable that Xeneca would not send an email to notify VRS of the

22 March Public Meeting at the same time it was being advertised in the Community papers. Again, I heard about this meeting through the grapevine, not from Xeneca. To notify VRS on March 15th is only giving one week's notice, and that is not sufficient time for anyone wishing to attend to re-arrange their schedules.

If Xeneca were acting in a responsible and reliable manner, we might have patience, but you continue to erode our confidence and trust in Xeneca and the EA process.

Would you please inform VRS of when we can expect to receive answers to the questions set out in our letter to you dated 8 February 2011?

I look forward to receiving the Terms of Reference! Thank you!

Linda Heron Chair, Vermilion River Stewardship (705) 866-1677

----Original Message----

From: Mark Holmes [mailto:mholmes@xeneca.com]

Sent: March-14-11 11:39 AM

To: Linda Heron Vermillion River Stewardship

Cc: Vanesa Enskaitis; Tami Sugarman Subject: FW: AS PER OUR CONVERSATION

Dear Linda

Re: Wabegishik Rapid PIC:

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French) to reach the broadest spectrum of stakeholders.

The PIC Notices are also available on our website under Latest News.

On March 15th, all individuals who have requested project updates for

the

Wabagishik Rapids project, will receive email notification of the Wabagishik Rapids PIC. If you would like further formal notice sent to you and members of the VRS we'd be pleased to do so.

With respect to the T or R, the Petawawa Stakeholder Advisory Committee reviewed an amended version of the document on Thursday (March 10) which is

now undergoing final revisions. Once complete this will be sent to you.

Just asking for your patience as we try our best to ensure we are doing things correctly as opposed to just quickly.

Best regards,

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Xeneca Power Development Inc.

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Sent: Monday, March 14, 2011 10:41 AM

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Please review to ensure my statements to Linda are correct

Thx

Mark

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----Original Message-----

From: Linda Heron Vermillion River Stewardship

Sent: March 14, 2011 8:51 AM

To: Mark Holmes

Subject: RE: AS PER OUR CONVERSATION

Hi Mark! I am dismayed to learn you scheduled the 22 March Public Information Centre in Espanola and didn't notify your registered Stakeholder, Vermilion River Stewardship! You have also not forwarded the

Terms of Reference yet. Please explain!

Linda Heron Chair, Vermilion River Stewardship

----Original Message-----

From: Mark Holmes [mailto:mholmes@xeneca.com]

Sent: March-04-11 4:46 PM

To: Linda Heron Vermillion River Stewardship Cc: Vanesa Enskaitis; Stephanie Hodsoll; Ed Laratta

Subject: RE: AS PER OUR CONVERSATION

Linda: I think you misunderstand. The Terms of Reference to which I

referred

you are the guidelines by which the committee agrees to operate. The terms

are taken from similar committees that have worked very successfully together with proponents in the past -- many on projects similar to ours.

As explained to you on yesterday's phone call, the committee is not run by

Xeneca. It is an independent advisory body. Confidentiality is a decision of the committee.

Further to your question on the "power" of the committee, if the committee

brings forward an issue that is a show stopper, then it will have done it

job and the project will either be abandoned or modified to avoid the problem

I will send a copy of the T of R for your consideration at the earliest possible juncture next week.

Mark

----Original Message----

From: Linda Heron Vermillion River Stewardship

Sent: March 3, 2011 4:46 PM

To: Mark Holmes

Cc: Stephanie Hodsoll; Vanesa Enskaitis; Patrick Gillette; Ed Laratta; Charles Ramcharan, Laurentian University; Jim Little - Laurentian University

Subject: RE: AS PER OUR CONVERSATION

Hi Mark! Dr. Ramcharan's email address is

and

lam

not sure, but I think Dr. John Gunn's email address would be gunn@laurentian.ca - you can give it a try. Dr. Gunn heads the Living with

Lakes Centre in Sudbury, and Dr. Ramcharan works with him. I know either

of these men would make an excellent Chair to this Committee, and hope you

are successful in retaining their services!

I take it from what you have just shared, that this Committee will not have

the power to stop the dams, even if it finds the impact on the Vermilion River will be too big a price to pay?

So, I am requesting you send me a copy of the Confidentiality Agreement you

will be asking me to sign, so I can take it to our Vermilion River Stewardship membership next Tuesday. I will leave the decision up to them,

whether I sign it or not. I can tell you right now I will advise against

signing the agreement, as I don't want to give up my rights when the prospect of stopping the dams is not possible through this process.

these circumstances, it is not feasible that I would give up my rights to

share my concerns with the members I represent - I will however put the decision before our Stewardship members.

By the way, do you know when the public meeting will be held for Wabagishik

Rapids, and will it be a more productive format than the Wanapitei Public

Meeting - that didn't work very well!?

Jim Little's email address is



I will bring your offer and the Confidentiality Agreement to our next Stewardship Meeting which is scheduled for next Tuesday, 8 March, at the Beaver Lake Sports and Cultural Club.

Thanks Mark!

Linda Heron, Chair Vermilion River Stewardship Interim Chair, Ontario Rivers Alliance

From: Mark Holmes [mailto:mholmes@xeneca.com]

Sent: March-03-11 3:32 PM

To: Linda Heron Vermillion River Stewardship

Cc: Stephanie Hodsoll; Vanesa Enskaitis; Patrick Gillette; Ed Laratta

Subject: FW: AS PER OUR CONVERSATION

Linda:

Appreciate the map and I promise to completely ignore your rapids! I will

see if I can follow-up with further confirmation that you will not be impacted prior to the Public Information Center.

Regarding the Committee. Further to our discussion this morning, it modeled

after the Committees used in Water Management Planning where the Crown

seeks

Community participation so Community values are respected and local input

can be sought. The reason we want the Community members to sign Non-Disclosure Agreements is so that draft documents can be released and there can be a free exchange of ideas and a highlighting of potential concerns that can be discussed freely prior to moving forward with the Public Information Centres where there is full disclosure to the public.

To illustrate the problem. In preliminary documents for Big Eddy (Waterpower Site Strategy and Project Descriptions) various options were presented for consideration and feedback from Crown agencies. This result

was a shift to "Run-of-River" operations and other technical modifications.

which is all for the good. As we discussed this morning, these documents

were released through Freedom of Information (FOI) request, and now we have

a very confused Community, and, in some cases accusations of various bad actions when the actual result is positive; i.e. a shift of operations to

"Run-of-River." A lot work and very careful reconsideration of approaches

occurs as we gather technical information and work with the government agencies and the Committees and other key stakeholders. The goal is a Public

Information Center that reflects Community values and a project that we can support.

It can cause mass confusion if draft documents get released, and, without

some protection, it may prohibit the free-exchange of ideas. This does not

prohibit any Committee member from opposing the project or requesting an elevation in its final form once the Class EA is submitted to the Ministry

of the Environment under the Notice of Completion process for final review.

The advantage of participating in the Committee is you have access to early

information and can help provide advice on how best to proceed. Moreover,

you will get a better idea of the process and how much of it is arms length

such as Archeological Studies and Habitat Studies. The information will present the real impacts and invite participation in what can be done to reduce or eliminate the affect.

The "Power" of the committee would be its ability to directly bring the

ideas, concerns, observations of its respective constituencies to Xeneca.

and it could relay information directly back to the groups represented.

It should also be understood that there may be competing interests among the

groups represented on the committee and this forum would offer the opportunity to understand the range of needs and interests as well common

ground. In short, it would help facilitate democratic decision making!

Overall the end result of the Class EA is a binding process. Itis a contract

with the Community and the citizens of Ontario. Xeneca has every interest

in making sure the project proposed honestly reflects what will be built; to

do otherwise opens the company to some very severe ramifications.

Greatly appreciate your suggestions for a chair person for such a committee.

Do you have contact info for either of these gentlemen?

Best regards,

Mark

From: Linda Heron

Sent: March 3, 2011 12:43 PM

To: Mark Holmes

Subject: AS PER OUR CONVERSATION

Hi Mark! I am attaching the Google Map of where we live - and don't get

any

funny ideas - those rapids are off limits!! :-/

As per our conversation about recommendations of someone I feel would be an

effective Chair on a Committee to review these proposed projects, with an

eye towards environmental protection and impacts, I first need to know what

kind of power this Committee will have? If this Committee decides the projects are going to be too detrimental to the rivers and their ecosystem,

and should not go ahead, will the Committee be given the power to put an end

to these Projects? This is a very important question that I would like

an answer to.

If the answer is yes to the above, I would recommend Dr. Gunn or Dr. Ramcharan, who are both connected to the Living With Lakes Center in Sudbury. I don't know either personally, but respect their opinions and standing in the Community. The Vermilion River Stewardship would also like

to have someone like Brad Bowman, B.E.S., P.Geo., Senior Environmental Scientist, representing our interests. As you know we are a new Stewardship

and have no funding, so it would be appreciated if either Xeneca or the Provincial Government were to supply us with the necessary funds to retain

an environmental scientist of our choice to advise and represent our interests.

I also mentioned another stakeholder that would be helpful to such a Committee would be Jim Little, Laurentian University, Outdoor Adventure Leadership, School of Human Kinetics.

Thanks Mark!

Linda Heron Interim Chair, Ontario Rivers Alliance Chair, Vermilion River Stewardship

No virus found in this incoming message. Checked by AVG - www.avg.com Version: 9.0.872 / Virus Database: 271.1.1/3479 - Release Date: 03/03/11 02:34:00 From: Mark Holmes [mailto:mholmes@xeneca.com]

Sent: March-14-11 2:45 PM

To: Linda Heron Vermillion River Stewardship

Cc: Vanesa Enskaitis; Tami Sugarman; Bob Robinson - MNR; France Gelinas; Laurie Brownlee (ENE) - MOE

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Sent: March 14, 2011 1:35 PM

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Cc: Stephanie Hodsoll; Vanesa Enskaitis; Patrick Gillette; Ed Laratta; Charles Ramcharan, Laurentian University; Jim Little

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Thanks Mark!

Linda Heron Interim Chair, Ontario Rivers Alliance Chair, Vermilion River Stewardship

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Version: 9.0.872 / Virus Database: 271.1.1/3479 - Release Date: 03/03/11

02:34:00

Stephanie Hodsoll

From:

Linda Heron

nt:

Thursday, March 17, 2011 4:13 PM

ာ:

Stephanie Hodsoli

Subject:

RE: Confirmation of receipt - Registered mail

Categories:

Logged, Public

Thank you Stephanie! Now I will have a whole new lot of questions for you.

All the best, Linda

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: March-17-11 4:01 PM

To: Linda Heron

Subject: RE: Confirmation of receipt - Registered mail

March 17, 2011

Hi Linda,

Attached are Xeneca's answers to your questions in Addendum 4, as well as your other set of questions from December 8 (I have combined them into one document.)

Thank you for your patience while we endeavoured to get the most accurate and current information possible.

Ik to you soon!

Yours truly, Steph

Stephanie Hodsoil

Public Affairs Liaison
Xeneca Power Development
5160 Yonge St., Suite 520
North York, ON M2N 6L9
T: 416-590-9362 X 112
F: 416-590-9955
www.xeneca.com

From: Linda Heron [mailto:

Sent: Wednesday, February 16, 2011 7:38 PM

To: Stephanie Hodsoli

Subject: RE: Confirmation of receipt - Registered mail

Thanks Steph for letting me know you received the letter! Much appreciated!

Linda

om: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

sent: February-16-11 11:36 AM

To:

Subject: Confirmation of receipt - Registered mail

February 16, 2011

Hi Linda,

This message is to acknowledge receipt of your letter via registered mail. It arrived last Thursday, February 10.

I am working on getting the answers and will respond in a timely manner.

Yours truly, Steph

Stephanie Hodsoll

Public Affairs Liaison Xeneca Power Development 5160 Yonge St., Suite 520 North York, ON M2N 6L9 T: 416-590-9362 X 112

F: 416-590-9955 www.xeneca.com

Addendum 4 - Vermilion River Stewardship - Request Document

	PLEASE PROVIDE THE FOLLOWING:		DATE:	XENECA REPLY:
-	Project Descriptions for McPherson Falls, Cascade Falls & Soo Crossing.	-	02-16-11	These are in the making and are not yet available. Once complete, they will be posted on Xeneca's website and stakeholders, including the Vermilion River Stewardship will be notified
7		7	02-10-11	Steph Hodsoll sent to Linda Heron via email.
က		က	03-16- 2011	See below.
4	Date when Public Consultation Meetings will be held.	4	02-16-11	The Wabagishik Rapids PIC will be on March 22 in Espanola. Stakeholders will be notified when other PIC dates are set. (The Project Description needs to be finalized and issued before a PIC can be held.)
2	Date Xeneca's Public Communications Plan was published.	က	03-03- 2011	Xeneca received a draft Public Consultation Plan from one of our consultants in February 2011. It is still under review.
9		ဖ	02-11-11	Mark Holmes sent to Linda Heron. This presentation is not public domain and will not be posted to Xeneca's website.
7		^	02-16-11	This will be done once the Agencies have determined that Xeneca's Waterpower Class EA is complete.
∞	Details on how you will protect the Inco Public Drinking Water Intake from the sediment and heavy metals churned up daily from the tail race.	®	02-16-11	This question will be addressed in Xeneca's Waterpower Class EA. We will interface with INCO and the municipality during the EA process to study this issue.
თ		თ	02-16-11	This question will be addressed in Xeneca's Waterpower Class EA. We will study the area in conjunction with the municipality and assess safety issues during the EA process.
<u>-</u>	10 Details of how you will protect the passage of fish, spawning grounds, aquatic life, the ecosystem, and natural habitat.	5	02-16-11	This question will be addressed in Xeneca's Waterpower Class EA. We will interface with agencies and engage our biological consultants to study this issue.
~	11 Details of how you will protect our endangered species and species at risk.	=	02-16-11	This question will be addressed in Xeneca's Waterpower Class EA. We will interface with agencies and engage our biological consultants to study this issue.
-	12 Details of how you plan to generate power throughout several summer months of very low water levels & flow?	12	02-16-11	This question will be addressed in Xeneca's Waterpower Class EA. The Operating Plans for these projects are now in development and will be presented to regulators for review during the EA process.
-	Answers to all questions and answers generated at the Wanapitei public meeting.	13	02-16-11	Question from Xeneca's Public Information Centres will be addressed in each project's Waterpower Class EA.
	PLEASE ANSWER THE FOLLOWING QUESTIONS:	-	15	
7	Will McPherson Falls, Cascade Falls and Soo Crossing all be treated as one System in the EA?	2	03-01- 2011	Yes. McPherson Falls, Cascade Falls and Soo Crossing all fall under one Waterpower Class EA. Wabaqishik Rapids will have its own EA.
က		ო	03-01- 2011	This will be determined by the MNR and DFO. (Xeneca will propose operating plans for the site as part of the Class EA: these calculations will be done over the next two months.)
4	What will the full power turbine flow be at each dam?	4	03-01-	The proposed generating capacity for Wabagishik is 3.4 MW. The proposed generating capacities for McPherson Falls, Cascade Falls and Soo Crossing will be available once the Project Description is complete.

2

Addendum 4 - Vermilion River Stewardship – Request Document

5 How many times each day will water be held back and	5 03-01-	There will always be compensatory flow. It is Xeneca's intention to operate the project as a
then released with modified peaking?	2011	er. The details will be in the operating plan, which is currently being

Addendum 4 - Vermilion River Stewardship - Request Document

Vermilion River Stewardship Council – Questions

1. Why were there no public meetings before the dams were approved?

Xeneca's Vermilion River projects have <u>not</u> yet been approved, and we are planning to hold Public Information Centres in the surrounding community in the next months. The PIC for the proposed Wabagishik Rapids is set for March 22 in Espanola.

Before any project approvals are granted under the Waterpower Class Environmental Assessment (Class EA), Xeneca must compile and address all stakeholder comment and present scientific research (carried out by environmental consultants) to comply with the rigorous demands of the regulatory agencies.

The Class EA is approximately 12-18 months in duration, which provides ample time and opportunity for thorough public consultation, healthy discussion and sound decision making. Once the process is complete, the outcomes of the consultation process are released through the Class EA, which will be available to the public (at municipal buildings, library, through MOE and on Xeneca's website.)

- 2. What influence will 4 dams have on the river, its ecosystem and the local inhabitants!!
- -Public safety if a dam fails, how will it affect those who live downstream?
- -Fish spawning
- -Erosion of habitat and river banks
- -Water levels these recent dry summers have already had a negative impact on water levels, will these dams bring water levels even lower?

Corporately, and as individuals, Xeneca takes very seriously our responsibility to respect the environment and the multiple users for whom the river is an integral part of the community, their livelihoods and their social well-being.

The Vermilion River projects are still at a relatively early stage of development, and Xeneca is currently engaging professionals who are conducting environmental studies on the river to ascertain the fish communities and habitat present in the affected reaches of the river system. While projects such as ours can cause some changes, ensuring that impacts on aquatic habitat are avoided or minimized is a very significant part of the development process.

All environmental aspects of the project will be scrutinized in great detail. Water levels are not expected to vary significantly from normal seasonal patterns, and river flow will never be stopped. At all times flow must be maintained at level to ensure ecological integrity. Additional flooding is confined to the areas adjacent to the existing river and floodplain.

Safety of the project is of paramount concern and will be addressed in parallel with the EA process. Xeneca is hiring a qualified independent third party engineering firm to conduct a safety audit of its projects to ensure safety is paramount. Further, Xeneca will fully comply with all regulations applicable to operation of a waterpower facility.

Again, the outcomes of the consultation process will be available once the Class EA is prepared and issued for public review.

Addendum 4 - Vermilion River Stewardship - Request Document

3. Has there been an Environmental Assessment study completed?

No, the EA is underway. We are currently in the information gathering stage of the Class EA process. Throughout the process, opportunity will be offered to express opinions, concerns, support or opposition. All stakeholder input, including First Nations, Town officials, federal and provincial government agencies, environmentalists, kayakers, anglers, hikers, bird watchers or simply interested local residents, become part of our decision making process.

There are no permits or approvals associated with this Waterpower Class EA. The EA is a binding process; it is a contract with the community and the citizens of Ontario. Xeneca has every interest in making sure the project proposed honestly reflects what will be built.

4. How will these dams improve or benefit our local economy – will any share of the profits go back to the local Community?

The return to the economy of Canada will be upwards of \$5 million per megawatt over a 40-year period. In addition, royalties, taxes, fees and leasing revenues which are returned to the municipality. For the Wabagishik Rapids GS, this would equal \$17 million over a 40-year operational period.

First Nation Communities also stand to benefit significantly from renewable energy projects across Ontario. Several programs are in place through which Communities can participate and earn long-term revenue streams, jobs and skills development.

Stephanie Hodsoll

From:

Linda Heron

nt:

Saturday, March 26, 2011 10:22 AM

Subject:

Mark Holmes; Stephanie Hodsoli

aubject:

COMMENT FORM - WABAGISHIK RAPIDS - MARCH 22 2011 PIC

Importance:

High

Follow Up Flag: Flag Status:

Follow up Flagged

Categories:

Public, Logged

TO: Mark Holmes and Stephanie Hodsoll, Xeneca Corporation

On behalf of the Vermilion River Stewardship, I am offering this Comment Form for your information.

- 1. I heard about this project from a neighbour, not from Xeneca.
- 2. I heard about this meeting from a member of the OFSC, not from Xeneca.
- 3. The information on the display panels was of a general nature, and the maps and drawings were what was contained in the Project Description. The engineered drawings for the actual dam were not displayed, and saw them when your Engineer referred to them in his book, but he would not share them with the public.
- 4. Xeneca staff were very polite and helpful, but seemed at a loss when it came to detail of the actual project.
- 5. My comment: There were several irate residents who recently discovered their properties were going to be directly affected by Xeneca's roads and transmission lines drawn on your site map. These land owners had not been previously notified by Xeneca, and yet your drawings give the impression these arrangements have been made why else would you draw them into the plan? So, again, all property owners and stakeholders directly affected by this proposed project were not informed, consulted, or notified.
- 6. This format of meeting is not satisfactory! Xeneca staff were not recording most questions, and there were many conversations going on at once, so no one person got to hear all the concerns and comments.
- 7. On behalf of the Vermilion River Stewardship, we are requesting a Forum Format for all future Public Information Centers, so that all questions, comments and answers can be heard by everyone in attendance.
- 8. Questions for Xeneca:

- 1. Wabagishik Rapids and McPherson Falls were in the "Not Practical Projects" section of the Hatch Acres Report "Ontario Waterpower Potential" what has changed to make them <u>practical</u> now?
- 2. Do you have any intentions now, or in the future, of pursuing any other potential waterpower sites on the Vermilion River?
- 3. Do you plan to use a modified peaking operation at Wabagishik Rapids?
- 4. Will the residual flow be a minimum of 2/3 of the total flow as per 4.3.3 of the 1977 LIRA guidelines?
- 5. Under a modified peaking operation, will
 - a. the residual or compensatory flow be the only consistent flow throughout each operating day,
 - b. will the river ever be left to flow freely, and if so,
 - c. when, and for how long?
- 6. Please provide a graph of the daily water fluctuations over the last three years! What will the water fluctuations be after the dam is built? What are the fluctuations from season to season?
- 7. We note there is a discrepancy between the river flows quoted in your Wabagishik PD at 47.3 m³/s, and the Hatch Acres Report at 35 m/³s, so
 - a. provide a graph of assumed annual river flow on a monthly basis, so we can compare it with our observations; and
 - b. Indicate how this data was derived, since there is apparently no flow measurement site in the vicinity.
- 8. How many people would be affected by the head pond, transmission lines, roads, and dam site?
- 9. When do you plan to notify and negotiate private property land use with riparian owners affected by your proposed transmission lines, dams and roads?
- 10. Why have you not submitted your Applicant of Record to receive your Site Release for these four projects? When do you plan to do this?

- 11. How do you plan to generate power throughout the months of low flow and low water levels, without causing damage to the river ecosystem?
- 12. Water levels have never been lower than these last few summers would the operation of these dams cause water levels to go even lower for stretches of time?
- 13. Will any part of the downstream riverbed ever be allowed to dry while holding water back to fill the head pond?
- 14. You indicate Wabagishik Proposed Dam will generate a total Installed Capacity (IC) of 3.4 MW, while the Hatch Acres Report estimates 1.85 why the discrepancy?
- 15. You have estimated a total IC for all 4 proposed dams at <u>11.8 MW</u>, while the Hatch Acres Report estimates the total at <u>7.06 MW</u> (2.18; 1.54; 1.49; 1.85) why the discrepancy?
- 16. In section 2.12 of the Wabagishik PD, we note that the available head is listed at 6.1m, and actually less than that listed for the same site in the Hatch Acres Report at 6.5m, so
 - a. how was this number established; and
 - b. does it include the additional head introduced by the dam/weir.
- 17. What provisions will you make to protect our endangered species and Species at Risk Bald Eagle, Elk, Lake Sturgeon, Whip-poor-will, Chimney Swift, Common Nighthawk, Olive-sided Flycatcher, Bobolink, Canada Warbler, Massassauga Rattlesnake, Milk Snake, Snapping Turtle, Wood Turtle, Blanding's Turtle & Monarch Butterfly?
- 18. What provisions will you make for passage of fish?
- 19. Have existing fish spawning areas in the impacted zone been identified where?
- 20. What provisions will you make for the Walleye Spawning area that has been identified throughout the entire proposed inundation area of Wabagishik Rapids?

- 21. What provisions will you make to protect spawning grounds, aquatic life, water quality, the ecosystem and natural habitat?
- 22. Do you plan to do further surveys of wildlife? Surveys on birds, reptiles and amphibians were done on two one day visits in one spring period, are insufficient to assess what is truly there, and appear incomplete.
- 23. With respect to reptile surveys, no observations were made of the Woods Turtle which is found in other areas of the upper Vermillion River and is classified as Endangered.
- 24. What "Cumulative Effects" would 4 dams have on the Vermilion River, its connecting lakes, and the ecosystem?
- 25. Public safety is a major concern if a dam fails, what is your emergency response plan to warn the residents and recreationists downstream?
- 26. What are your plans for compensating property owners for any damage caused by dam failure; or loss of property values caused by loss of water flow or water quality?
- 27. How do you plan to protect stakeholders' who draw their drinking water from the Vermilion, or whose wells are dependent upon clean and consistent water flow?
- 28. How will winter water level fluctuations impact on ice and winter travel on the river?
- 29. Have you provided the government with an upfront bond for the full costs of future decommissioning? The decommissioning costs must not be part of the 40 year (pay as you go) contract since there is no guarantee that Xeneca will be operating for 40 years and decommissioning should not fall to Canadian taxpayers.

Respectfully, Linda Heron Chair, Vermilion River Stewardship

Stephanie Hodsoll

From:

Linda Heron [

int:

Thursday, April 14, 2011 5:57 PM

. 0:

Stephanie Hodsoll

Subject:

RE: XENECA ANSWERS TO OUR QUESTIONS IN OUR 8 FEBRUARY 2011 LETTER

Thanks so much Stephanie! Not sure where I filed the other one you sent, but I'm sure it will show up.

All the best, Linda

From: Stephanie Hodsoil [mailto:SHodsoil@xeneca.com]

Sent: April-14-11 4:25 PM

To: Linda Heron

Subject: RE: XENECA ANSWERS TO OUR QUESTIONS IN OUR 8 FEBRUARY 2011 LETTER

April 14, 2011

Hi Linda, Nice to hear from you. I hope you had a nice trip to visit your family down south.

No problem, I have re-attached the file.

We are still working on your new set of questions and will be in touch when we are able to provide accurate information.

Have a nice afternoon!

"ours truly,

Stephanie Hodsoll

Public Affairs Liaison

Xeneca Power Development 5160 Yonge St., Suite 520

North York, ON M2N 6L9

T: 416-590-9362 X 112

F: 416-590-9955

www.xeneca.com

From: Linda Heron

Sent: Thursday, April 14, 2011 8:11 AM

To: Stephanie Hodsoll

Subject: XENECA ANSWERS TO OUR QUESTIONS IN OUR 8 FEBRUARY 2011 LETTER

Good morning Stephanie! Would you please send me your answers to my questions set out in our 8 February 2011 letter? I have the print-out but can't seem to find the digital response in my filing system.

Thanks so much!

Linda

Stephanie Hodsoll

rom:

Linda Heron Vermillion River Stewardship

at:

Friday, April 15, 2011 1:39 PM

.u:

Stephanie Hodsoll; Mark Holmes

Cc:

'Jacques Barbeau'; Joe Cimino; Terry Kett, Councillor

Subject:

RE: Wabagishlk Rapids PIC Panels

Categories:

Logged, Public

HI Stephanie! This would be very prudent on the part of Xeneca because there have been many claims about what the Municipalities have to gain, and these figures need to be based on realistic average flow calculations and reasonable predictions of energy generated, not on Installed Capacity. Xeneca has been advertising 11.8MW of Installed Capacity for the Vermilion River proposed projects, knowing full well that the public would assume this is what would be generated, when in fact, based on normal seasonal flow, and climate change, Xeneca will be lucky to actually generate half of that amount. So any monetary share calculations must be based on realistic estimations.

We would like to see these figures broken down and justified.

Thank you!

Linda Heron Chair, Vermilion River Stewardship

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: April-15-11 11:09 AM

April 15, 2011

Hi Linda.

There appears to be a lack of clarity on the amount of Gross Revenue Charges (GRC) that belongs to communities where water power projects are being built. With recent enquires from communities interested in how Gross Revenue Charges are calculated, Xeneca has initiated contact with relevant government agencies and has also requested a legal opinion on what communities are eligible to collect. Pending answers received from government and advice, we will provide updates on the GRC calculations.

Yours truly, Steph

Stephanie Hodsoli

Public Affairs Liaison Xeneca Power Development 5160 Yonge St., Suite 520 North York, ON M2N 6L9 T: 416-590-9362 X 112 F: 416-590-9955 yw.xeneca.com From: Linda Heron Vermillion River Stewardship

Sent: Tuesday, April 12, 2011 6:03 PM

To: Stephanie Hodsoll

Subject: RE: Wabagishik Rapids PIC Panels

Thanks Stephaniel Much appreciated!

Can you please explain in detail how you came to these figures? Thanks!

"Significant return to the people of the City of Greater Sudbury with approximately \$5 million per MW (\$59 million over the 40 year lifespan of the project) paid through Gross Revenue Charges (GRC) and Provincial and Federal Income taxes."

Linda

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: April-12-11 3:02 PM **To:** Stephanie Hodsoll

Subject: Wabagishik Rapids PIC Panels

April 12, 2011

Good afternoon!

We have updated the Xeneca website with the panels that were displayed at the Wabagishik Rapids Public Information Centre (PIC) on March 22 in Espanola.

Please click <u>here</u> to view this information.

If you have any questions or comments, please let us know.

Thank you for your ongoing interest in this project.

Yours truly, Steph

Stephanie Hodsoll

Public Affairs Liaison Xeneca Power Development 5160 Yonge St., Suite 520 North York, ON M2N 6L9 T: 416-590-9362 X 112 F: 416-590-9955 www.xeneca.com From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: September-13-11 3:14 PM

To: Linda Heron

Subject: RE: REQUEST FOR DOCUMENTATION FROM XENECA - MCPHERSON FALLS, CASCADE FALLS, AT SOO

CROSSING & WABAGISHIK RAPIDS PROPOSED DAMS

September 13, 2011

Hi Linda.

Hope you're doing well. Please find attached a response to your May 8 email, as well as the available supporting documentation.

Thank you!

Yours truly, Steph

Stephanie Hodsoll

Public Affairs Liaison Xeneca Power Development 5255 Yonge Street, Suite 1200 North York, ON M2N 6P4 T: 416-590-3077

F: 416-590-9955 www.xeneca.com

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From: Mark Holmes

Sent: Wednesday, August 17, 2011 5:16 PM

To: Stephanie Hodsoll

Subject: RE: REQUEST FOR DOCUMENTATION FROM XENECA - MCPHERSON FALLS, CASCADE FALLS, AT SOO

CROSSING & WABAGISHIK RAPIDS PROPOSED DAMS

From: Linda Heron

Sent: Sunday, May 08, 2011 8:52 AM

To: Mark Holmes

Cc: France Gelinas; 'Jacques Barbeau'; 'Glenn Thibeault, MP'

Subject: REQUEST FOR DOCUMENTATION FROM XENECA - MCPHERSON FALLS, CASCADE FALLS, AT SOO CROSSING & WABAGISHIK RAPIDS PROPOSED DAMS

Good morning Mark! On behalf of Vermilion River Stewardship, I am making a formal request to share the documents below. I have filed a Freedom of Information Application, to obtain these documents, however, it would be a gesture of cooperation and transparency if you would provide them willingly.

- 1. Minutes and Reports resulting from all meetings between Ministries, Xeneca, and their Consultants.
- 2. MNR Site Information Package (SIP).
- 3. (Draft and/or Final) Proposed Operating Flow Levels
- 4. All Hydrology Reports and Requirements
- 5. All Modeling Inputs
- 6. Waterpower Applicant Site Declaration Form
- 7. Water Management Plan
- 8. Status of Declaration of Intent
- 9. Applicant of Record and Site Release
- 10. Environmental Characteristics Report
- 11. Water Site Strategy
- 12. WSS Review Letter
- 13. All DFO, Canadian Environmental Assessment Agency, & Environment Canada Correspondence, Approvals, Reports & Notices.
- 14. All documents of relevance to any of these 4 proposed dams.
- 15. Engineered drawings
- 16. Conceptual Designs
- 17. Safety Studies
- 18. Project Descriptions for McPherson Falls, Cascade Falls & At Soo Crossing

I look forward to your reply! Thank you!

Linda Heron, Chair Vermilion River Stewardship

- 1. Minutes are of a confidential nature as they deal with a number of undefined aspects of the projects, Issues of commercial sensitivity or involving private landowners may also be discussed and as such these minutes should not be part of the public domain.
- 2. Please find enclosed a copies of the site information packages issued by Sudbury MNR
- 3. A draft operating plan will be made available in the Waterpower Class EA s for these projects
- 4. Hydrology reports will be part of the Waterpower Class EA
- 5. Modelling reports will be part of the Waterpower Class EA
- 6. Copy of the Waterpower Site Declaration forms are enclosed
- 7. Final Water Management Plans (WMPs) will not occur until a much later stage and will likely be integrated into existing WMPs on the Vermillion River.
- 8. Unclear what is meant by Status of Declaration of Intent, please clarify.
- 9. Applicant of Record has not been assigned on these projects. Site release will not occur until completion of procedures under the Lands and Rivers Improvement Act (LRIA)
- 10. Environmental Characteristics Report will be part of the finalized Waterpower Class EA

- 11. Not certain what is being referred to as Water Site Strategy but if you are referring to a Waterpower Site Strategy (WSS) this requirement is no longer part of the MNR Site Release Process
- 12. See response to question 11
- 13. All notices will be made available through the Waterpower Class Environmental Assessment process
- 14. A relevant documents will be made available through the Waterpower Class EA
- 15. Please refer to the Xeneca Website for Project Description and Project updates related to the projects of interest www.xeneca.com
- 16. Please refer to the Xeneca Website for Project Description and Project updates related to the projects of interest www.xeneca.com
- 17. Dam safety plans will be prepared by an independent, qualified, third party engineering firm. Public and agency input will also factor in to safety planning for these projects, and, as such, a final plan is not expected until a much later stage in project development.
- 18. Project Descriptions are available on Xeneca's website at www.xeneca.com



Request for Documentation from Xeneca – McPherson Falls, Cascade Falls, At Soo Crossing & Wabagishik Rapids Proposed Dams

1. Minutes and Reports resulting from all meetings between Ministries, Xeneca, and their Consultants

Minutes are of a confidential nature as they deal with a number of undefined aspects of the projects. Issues of commercial sensitivity or involving private landowners may also be discussed and as such these minutes should not be part of the public domain.

2. MNR Site Information Package (SIP)

Please find attached copy of the Wabagishik Site Information Package issued by Sudbury MNR. SIPs have not yet been issued for the other three Vermilion sites.

3. (Draft and/or Final) Proposed Operating Flow Levels

A draft operating plan will be made available in the Waterpower Class EA s for these projects.

4. All Hydrology Reports and Requirements

Hydrology reports will be provided as part of the Waterpower Class EA.

5. All Modeling Inputs

Modelling reports will be provided as part of the Waterpower Class EA.

6. Waterpower Applicant Site Declaration Form

A copy of the Wabagishik Waterpower Site Declaration form is attached. Waterpower Site Declaration forms have not been issued for the other three Vermilion sites.

7. Water Management Plan

Final Water Management Plans (WMPs) will not occur until a much later stage and will likely be integrated into existing WMPs on the Vermillion River.

8. Status of Declaration of Intent

Unclear what is meant by Status of Declaration of Intent, please clarify.

9. Applicant of Record and Site Release

Applicant of Record has not been assigned on these projects. Site release will not occur until completion of procedures under the Lands and Rivers Improvement Act (LRIA.)

10. Environmental Characteristics Report

The Environmental Characteristics Report will be part of the finalized Waterpower Class EA.

11. Water Site Strategy

Not certain what is being referred to as Water Site Strategy but if you are referring to a Waterpower Site Strategy (WSS) this requirement is no longer part of the MNR Site Release Process.

12. WSS Review Letter

Please see response to question 11.

13. All DFO, Canadian Environmental Assessment Agency, & Environment Canada Correspondence, Approvals, Reports & Notices

All notices will be made available through the Waterpower Class EA process.

14. All documents of relevance to any of these 4 proposed dams

All relevant documents will be made available through the Waterpower Class EA.

15. Engineering Drawings

Please refer to the Xeneca website (<u>www.xeneca.com</u>) for Project Descriptions (currently just the Wabagishik Project Description is available) and project updates related to the projects of interest.

16. Conceptual Designs

Please see response to question 15.

17. Safety Studies

Dam safety plans will be prepared by an independent, qualified, third-party engineering firm. Public and agency input will also factor in to safety planning for these projects, and, as such, a final plan is not expected until a much later stage in project development.

18. Project Descriptions for McPherson Falls, Cascade Falls & At Soo Crossing

The Wabagishik Project Descriptions is available on Xeneca's website. Once released, the other Project Descriptions will be posted on the website as well.

Linda Heron's Questions – Wabagishik Rapids PIC Follow-Up

1. Wabagishik Rapids and McPherson Falls were in the "Not Practical Projects" section of the Hatch Acres Report - "Ontario Waterpower Potential" – what has changed to make them practical now?

Numerous factors are involved in determining project "practicality." Some elements that relate to project assessment are;

- river flow and head (height)
- project related costs such as construction of roads and connection to the Province's electrical distribution and transmission grid
- Contracts being offered to purchase power ...

As project variables are weighed their respective "practicality may change. In the case of the aforementioned projects the variables are such that the projects are considered viable.

2. Do you have any intentions now, or in the future, of pursuing any other potential waterpower sites on the Vermilion River?

Other than the four current projects under development, Xeneca has no intentions to pursue other waterpower sites on the Vermillion.

- 3. Do you plan to use a <u>modified peaking operation</u> at Wabagishik Rapids?

 Yes. Xeneca is planning to operate the Wabagishik GS as a modified run-of-river project.
- 4. Will the residual flow be a minimum of 2/3 of the total flow as per 4.3.3 of the 1977 LIRA guidelines?

The question is not clear but Xeneca will provide enough residual flow (environmental flow) to maintain the ecological integrity of the downstream reach. This flow will be ultimately decided based on the biological studies and discussions with regulatory agencies.

- 5. Under a modified peaking operation, will
 - a. the residual or compensatory flow be the only consistent flow throughout each operating day,
 - b. will the river ever be left to flow freely, and if so,
 - c. when, and for how long?

There will be no intermittent operation during the fish spawning period identified by the biologists. On an annual basis, the plant will be operated intermittently only about 16% of the time.

6. Please provide a graph of the daily water fluctuations over the last three years! What will the water fluctuations be after the dam is built? What are the fluctuations from season to season?

This analysis is not available at the moment, but Xeneca is working it and will provide this information in the Class Environmental Assessment Report (ER), or earlier if available.

- 7. We note there is a discrepancy between the river flows quoted in your Wabagishik PD at 47.3 m³/s, and the Hatch Acres Report at 35 m/³s, so
 - a. provide a graph of assumed annual river flow on a monthly basis, so we can compare it with our observations; and
 - b. indicate how this data was derived, since there is apparently no flow measurement site in the vicinity.

47.3 m3/s is Long Term Average Flow (LTAF) at Wabagishik site. We are not sure which Hatch reports you are referring to, but hydrological studies for Xeneca was also completed by HATCH.

Hydrological study for this project was carried out by a professional hydrologist with the proven industry practices and science.

8. How many people would be affected by the head pond, transmission lines, roads, and dam site?

Stakeholder consultation will occur to assess to socio-economic impacts of Xeneca's projects, including Wabagishik Rapids. The project will have many significant benefits to people in the vicinity of the projects including increased economic opportunity, generation of emission free electricity and lower cost electricity. Any negative effects will be assessed and efforts made to avoid or mitigate undesirable effects.

- 9. When do you plan to notify and negotiate private property land use with riparian owners affected by your proposed transmission lines, dams and roads? It is Xeneca's policy and practice to meet and discuss with all riparian landowners that it has determined will be directly affected by the project. It should be noted that since the March 22 PIC, the lines & roads routing has been modified and we are still examining options.
- 10. Why have you not submitted your Applicant of Record to receive your Site Release for these four projects? When do you plan to do this? Applicant of Record has not been awarded for these projects. The MNR Site Release process is not yet aligned with the MOE/OWA Class Environmental Assessment process, the Ontario Power Authority's (OPA) Feed in Tariff (FIT) program, or provisions of the Green Energy Act.
- 11. How do you plan to generate power throughout the months of low flow and low water levels, without causing damage to the river ecosystem?

According to the present proposed operating plan:

- Run-of-river operation would occur when natural flows are so low that any available water must be released downstream to protect the environment; and
- Modified run-of-river operation would occur during moderate and low flows when the
 natural flow in the river is below the maximum turbine flow capacity but above the
 minimum flow required to protect the environment. When the facility operates, it will
 operate at a rate less than maximum turbine capacity. To ensure that the downstream river
 reach receives enough water flow to protect the environment, the water will be released
 whenever the turbine operation is stopped.

This operating plan will only be finalized after discussions with MNR and DFO to ensure adequate protection of the aquatic environment and then become part of the amendment to the existing water management plan for the river.

- 12. Water levels have never been lower than these last few summers would the operation of these dams cause water levels to go even lower for stretches of time? Hydrological analysis of this project has been based on 40 years of historical data (1954 to 1993); therefore, this analysis includes all extreme drought and flood conditions in the flow data series. Under extreme low flow conditions, the plant would not likely operate and all natural flow will remain in the river.
- 13. Will any part of the downstream riverbed ever be allowed to dry while holding water back to fill the head pond?

At no time will operation of these facilities result in zero downstream flow. Ecological flows will be determined in consultation with government regulatory agencies and based on comprehensive environmental studies undertaken by fully qualified, third party, independent professional service providers.

- 14. You indicate Wabagishik Proposed Dam will generate a total Installed Capacity (IC) of 3.4 MW, while the Hatch Acres Report estimates 1.85 why the discrepancy? Plant size is designed based on the optimization exercise. The bigger the plant's installed capacity, the bigger the revenue and project construction cost. As is standard practice in development, Xeneca design optimizes project economics with the understanding that, as information becomes available, plant economics and size may change.
- 15. You have estimated a total IC for all 4 proposed dams at <u>11.8 MW</u>, while the Hatch Acres Report estimates the total at <u>7.06 MW</u> (2.18; 1.54; 1.49; 1.85) why the discrepancy?

Please see response to question 14 above.

- 16. In section 2.12 of the Wabagishik PD, we note that the available head is listed at 6.1m, and actually less than that listed for the same site in the Hatch Acres Report at 6.5m, so
 - a. how was this number established; and
 - b. does it include the additional head introduced by the dam/weir.

Normally Operation Level (NOL) or dam height is governed by the project location and available upstream reservoir area, and tailrace level is governed by the natural river bed downstream of the dam location. Available head is the difference between NOL and tailrace levels. Yes, it does include the additional head created by the dam/weir.

17. What provisions will you make to protect our endangered species and Species at Risk – Bald Eagle, Elk, Lake Sturgeon, Whip-poor-will, Chimney Swift, Common Nighthawk, Olive-sided Flycatcher, Bobolink, Canada Warbler, Massassauga Rattlesnake, Milk Snake, Snapping Turtle, Wood Turtle, Blanding's Turtle & Monarch Butterfly?

For any Species at Risk listed under the provincial Endangered Species Act (ESA), we are obligated to enter into a long term agreement with the Ministry of Natural Resources (MNR) as to how our facility will be operated to minimize impact to the species. In addition, we will require a permit to construct under the ESA before we can proceed. Xeneca is working with the local office of the MNR to determine specific requirements at this time. MNR and Xeneca have discussed and agreed upon a list of species that are of significance for the project area.

18. What provisions will you make for passage of fish?

We are still in discussions with both MNR and DFO regarding the need for fish passage at this location.

- 19. Have existing fish spawning areas in the impacted zone been identified where?

 Yes, specific spawning habitat has been identified and will be shown in the EA document when released to the public.
- 20. What provisions will you make for the Walleye Spawning area that has been identified throughout the entire proposed inundation area of Wabagishik Rapids?
 A portion of the walleye spawning area will be maintained downstream of the new facility, and flow from the facility will be managed to protect spawning at this habitat. The habitat upstream of the facility will be altered and compensation for this alteration will need to occur. Xeneca will be negotiating appropriate compensation with DFO.
- 21. What provisions will you make to protect spawning grounds, aquatic life, water quality, the ecosystem and natural habitat?

This question is answered within the EA document which will be available for public review soon.

22. Do you plan to do further surveys of wildlife? Surveys on birds, reptiles and amphibians were done on two one day visits in one spring period, are insufficient to assess what is truly there, and appear incomplete.

We are aware that inaccurate information about studies and research protocols has been circulating. Our studies and surveys have been extensive; we will document our full level of effort in the EA report.

- 23. With respect to reptile surveys, no observations were made of the Woods Turtle which is found in other areas of the upper Vermillion River and is classified as Endangered.
 We have determined, in consultation with MNR, that the possibility of finding wood turtle at this site is limited as this is outside of their immediate known range and the appropriate habitat is not present.
- 24. What "Cumulative Effects" would 4 dams have on the Vermilion River, its connecting lakes, and the ecosystem?

Any cumulative effects of the four dams on the river will be addressed in the Environmental Assessment Report (ER.) Please review this section of the ER when it is circulated for review.

- 25. Public safety is a major concern if a dam fails, what is your emergency response plan to warn the residents and recreationists downstream?
 Xeneca has engaged with independent fully qualified engineering firms to assess dam safety and operation for all projects currently under development. The safety plan will address the question above and will be made available to the public for review and comment.
- 26. What are your plans for compensating property owners for any damage caused by dam failure; or loss of property values caused by loss of water flow or water quality?
 Damage or loss to property owners is not anticipated. Xeneca will engage with all property owners who may be affected by these projects. Any necessary agreements with landowners will be reached prior to the conclusion of permitting and approvals.
- 27. How do you plan to protect stakeholders' who draw their drinking water from the Vermilion, or whose wells are dependent upon clean and consistent water flow? It is not clear whether you referring to upstream or downstream of the Wabagishik project site. The Wabagishik project will not produce effects upstream of the project location, but there may be some effects on the downstream river reach. Xeneca and our consultants have not identified any drinking water concerns nor have any affected stakeholders or government agencies have raised this issue.
- 28. How will winter water level fluctuations impact on ice and winter travel on the river?

 Dam operations often result in the fluctuations of water levels throughout the winter and spring. This can result in ice collapsing onto lower water levels and then water seeping up under the snow. Mitigation measures such as the placement of warning signage will be put in place to ensure the safety of people using the reservoir, e.g. for ice fishing, snowmobiling, etc.

We will be abiding by Canadian Dam Safety guidelines, which will include signage, etc.

29. Have you provided the government with an upfront bond for the full costs of future decommissioning? The decommissioning costs must not be part of the 40 year (pay as you go) contract since there is no guarantee that Xeneca will be operating for 40 years and decommissioning should not fall to Canadian taxpayers.

Decommissioning of these projects is not anticipated. Contractual obligations are for 40 years with potential renewal for years or decades longer. Many waterpower facilities in Ontario remain operational after 80 years or longer. Xeneca commits to a decommissioning plan that meets future requirements, legislation and policy.

Vermilion River Stewardship





26 October 2011

Xeneca Power Development c/o Stephanie Hodsoll 6255 Yonge Street, Suite 1200 North York, ON M2N 6P4 SHodsoll@xeneca.com

Dear Stephanie:

Re: Class Environmental Assessment for Waterpower Projects For the Proposed Wabagishik Rapids Development Wabagishik Rapids GS – Comments

On behalf of the Vermilion River Stewardship, and further to your proposed Wabagishik Rapids GS Public Information Centre on 20 October 2011, in Espanola, I am writing to offer our questions and comments for your response:

- 1. Would Xeneca use a "modified run-of-river" operating strategy at Wabagishik Rapids?
- 2. Would this lake coupled dam design require a bypass area?
- 3. If so, what compensatory bypass flow would Xeneca provide?
- 4. How much actual power would this new dam design generate not Installed Capacity, but expected actual power to be generated?
- 5. How many people would the hydro generated from this dam service?
- 6. What are the potential negative impacts of this dam and operating strategy on the downstream and upstream riverine ecosystem?
- 7. How would these negative impacts be mitigated?
- 8. Please provide details of your operating strategy throughout low flow and drought conditions?
- 9. Would Xeneca continue to hold water back even in the lowest flow periods?
- 10. During "Summer Low Flow" conditions, would Xeneca allow free and full river flow to

help prevent undue stress on the riverine ecosystem – from early August, right through to the upward inflection of the hydrograph, usually occurring in mid to late-October?

- 11. To ensure public health and safety, will Xeneca release full river flow if and when a blue green algae outbreak has been confirmed on the Vermilion River?
- 12. During intermittent operation:
 - a. What Environmental Flow would Xeneca provide at the proposed Wabagishik Rapids GS in each season?
 - b. Would Xeneca provide a minimum flow of 2/3 of normal flow, as per LRIA guidelines?
 - c. Would Xeneca use peaking operations more than once a day when flow conditions warrant? If so, how many times a day? Maximum number?
 - d. What will the increase in volume of flow be between the minimum environmental flow, and the flow provided by full power generation at maximum turbine speed?
 - e. What will your turbine ramp speed and timing be the time to take a turbine from a stopped position to full operating speed?
 - f. How far downstream would the effects of Xeneca's operating strategy impact the riverine ecosystem the expected variable flow reach?
 - g. How would Xeneca protect the natural river habitat and aquatic life from the daily fluctuations in water levels, and flow rates?
 - h. What will the pulsing effect of daily and/or frequent peaking have on the downstream and upstream river ecosystem?
 - i. How much will the upstream lake level fluctuate on a daily basis?
 - j. What are the maximum number of hours Xeneca would hold water back in the holding pond?
 - k. How would Xeneca protect the stakeholders, public and children who may be downstream of the proposed dam, i.e., camping, boating, fishing, or swimming, from the rapid change in water levels and flow velocity?
 - I. What dam safety protocol is planned to address the variability of flows and rate of change of flows and levels?
 - m. How will strength, stability and safety of ice be affected by the frequent and daily rise and fall of water levels throughout the winter season?
 - n. How would Xeneca protect and ensure the safety of those people ice fishing and snowmobiling, both upstream and downstream of the dam site?
 - o. Would Xeneca run the Wabagishik GS in an operating strategy which is timed and coordinated with the three dams proposed on the Upper Vermilion River, at McPherson, Cascade and At Soo Crossing?
- 13. Would Xeneca provide safe upstream and downstream fish passage?
- 14. Would Xeneca provide fish friendly turbines?
- 15. Is Xeneca aware that last year a Lake Sturgeon was caught at Graveyard Rapids?
- 16. Would Xeneca provide low flow turbines to accommodate these low flow conditions?
- 17. Would Xeneca provide a portage route for canoers to pass around the proposed dam?
- 18. As a result of the dam and headpond, what will the maximum upstream lake level be?

- 19. Has Xeneca worked out a Water Management Plan and Agreement with Domtar and Vale yet?
- 20. Would Xeneca place funds in trust for future decommissioning costs for removal of the dam?
- 21. Would Xeneca compensate lake dwellers for any property damage or loss incurred because of dam construction, failure, operating strategies, water levels, ice, or other conditions created as a direct result of your dam and its operating strategy?
- 22. What are the anticipated cumulative effects of this proposed Wabagishik dam, considering the additional stress caused by the 3 proposed Upper Vermilion dams, 9 upstream waste water treatment facilities, numerous lift stations, sewage lagoons, the Stobie Dam, Lorne Falls Hydroelectric Dam, and the Domtar Mill on the Vermilion River, Spanish River, and ultimately the Great Lakes?
- 23. What provisions have Xeneca made for Climate Change, which scientists agree will include an increase in extreme weather events, including extreme drought and flooding conditions?

At this point it is important to note that there was virtually no detailed information at this PIC to show exactly what Xeneca is proposing to build, or even specifically where in the rapids it would be built. There was no detail provided for what will be built, where it would be built, or what the impacts would be. All information was very general, sparse, non-specific and lacking.

The Vermilion River Stewardship and Ontario Rivers Alliance members appreciated having an opportunity to ask questions of Mark Holmes before the scheduled PIC, however, some of his answers were not consistent with what other team members were saying, or with what has been reported in previous Environmental Reports for these types of modified run-of-river hydroelectric proposals. For example:

- 1. Mark Holmes was asked what the longest expected period of time water flow would be held back in the headpond, and his answer was "no longer than 24 hours". When pressed on this answer, again he repeated "no longer than 24 hours".
 - In The Chute Environmental Report for the Ivanhoe River, this report clearly stated that, "due to the limited storage at The Chute, all inflow from upstream will be passed downstream within 48 hours." This number of "48 hours" was repeated many times throughout that report.
 - That same evening, one of Xeneca's biologist team members stated that Mark Holmes was mistaken when he said flow would only be held back for a maximum of 24 hours, but that flows would actually be held back for up to 48 hours.
- 2. Mark Holmes was also asked whether peaking operations would be used more than once a day, and the answer was "no".

The Chute Environmental Report, Annex B – Page 52.

• In the Wanatango Falls Environmental Report², Chris Chenier, Cochrane MNR asked, "Given enough water, is there a possibility to do peaking operations more than once a day?" The answer from Uwe Roeper was, "yes".

Vermilion River Stewardship would also like to note, that on 8 May 2011 VRS made a request to Xeneca for documents related to the Wabagishik hydroelectric proposal, to which there has never been a response. VRS filed a Freedom of Information Application with MNR, who eventually agreed to provide 4 of these documents to VRS. However, Xeneca immediately appealed MNR's decision, and none of these documents were ever received from Xeneca or MNR. This again highlights the obstructive and uncooperative stance Xeneca has taken towards stakeholders and the public. As a follow-up, recently these documents were obtained through the Department of Fisheries and Oceans, and the Canadian Environmental Assessment Agency which, fortunately for the public, are fully transparent.

We look forward to Xeneca's answers to our questions. Hopefully we will receive answers to these questions in a more timely fashion than those resulting from the 22 March 2011 PIC, in which case answers were not received until 19 October 2011 - the day before the 20 October PIC, and some 7 months after the fact.

Thank you for this opportunity to comment!

Sincerely,

Linda Heron

Chair, Vermilion River Stewardship

Cc: France Gelinas, NDP MPP - FGelinas-co@ndp.on.ca

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Chief Steven Miller, Atikameksheng Anishnawbek - chief@wlfn.com

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Kathleen Migwanabi, Whitefish River First Nation - kathleenm@whitefishriver.ca

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² Wanatango Falls Environmental Report – Appendix C – Agency Consultation, P 177



May 17, 2012

Vermilion River Stewardship c/o Linda Heron



Dear Linda,

Thank you for your October 26, 2011 letter from the Vermilion River Stewardship (VRS.) We appreciate your attendance at the Wabagishik Rapids Public Information Centre in Espanola on October 20th 2011 and your continued participation in the Class Environmental Assessment (Class EA) process.

Thank you for your patience as we worked to answer your questions. Much of the information that you are requesting is still not complete or ready for public viewing. We will ensure that our consultants, who are working on various environmental studies, are aware of your concerns. We currently expect that the Wabagishik Rapids Environmental Report (ER) will be made available for public review by the end of summer 2012. As a valued stakeholder, you will be notified via email when the ER and supporting documents are posted on the Xeneca website. Advertisements will also be placed in local media. We look forward to your comments on the ER at that time.

Please find Xeneca's answers to the VRS's questions below:

1. Would Xeneca use a "modified run-of-river" operating strategy at Wabagishik Rapids? Yes, Xeneca plans to use a modified run-of-river operation at the Wabagishik Rapids GS.

2. Would this lake coupled dam design require a bypass area?

No – the design for this site is a close-coupled design which does not contain a water conveyance channel in the traditional sense. Water is directed into and out of the turbine entirely within the dam/weir structure.

3. If so, what compensatory bypass flow would Xeneca provide?

As stated in the answer to Q2 above, there is no bypass in the Wabagishik design as currently contemplated. However, variable downstream ecological flow will be determined through discussions with government agencies.

4. How much actual power would this new dam design generate – not Installed Capacity, but expected actual power to be generated?

The average annual energy output is estimated at approximately 12.5 gigawatt-hours. However actual annual energy output will vary significantly from year to year depending on precipitation and climatic factors. The energy output would also vary by season, with the highest production rate occurring during spring run-off.

5. How many people would the hydro generated from this dam service?

According to various references (including typical US energy outputs per household, and 2006 Canadian census values), this hydro plant could power approximately 50% of the households in Espanola.

6. What are the potential negative impacts of this dam and operating strategy on the downstream and upstream riverine ecosystem?

Studies of the riverine ecosystem have been ongoing since the spring of 2010. The Class EA will address this question and will be available for public review, likely in August/September 2012.

7. How would these negative impacts be mitigated?

Mitigation measures will be provided in the Class EA.

8. Please provide details of your operating strategy throughout low flow and drought conditions?

The Wabagishik Rapids project is proposed as a modified run-of-river project. When the plant is not generating power, environmental flows will be released to protect the ecosystem in the downstream river reach. In case of extreme drought, which causes severe environmental stress in the downstream river, Xeneca has committed to government agencies that the Wabagishik Rapids project will be operated as a run-of-river plant throughout any extreme drought period.

- 9. Would Xeneca continue to hold water back even in the lowest flow periods? Please see the answer to question 3 and 8 above.
- 10. During "Summer Low Flow" conditions, would Xeneca allow free and full river flow to help prevent undue stress on the riverine ecosystem from early August, right through to the upward inflection of the hydrograph, usually occurring in mid to late-October?

To address this potential effect, minimum flows will be set at a level that reflects reduced habitat activity during summer and fall operations. Ramp rates will be set to minimize sudden changes in flows. If natural flows fall below the minimum turbine capacity, the facility would cease operation and the river will follow the natural course.

Please also see the answer to Question 3 and 8 above.

11. To ensure public health and safety, will Xeneca release full river flow if and when a blue green algae outbreak has been confirmed on the Vermilion River?

If that situation occurs, Xeneca will seek advice from MNR and MOE. It is not believed at this time that the project would cause or contribute to outbreaks of blue green algae.

12. During intermittent operation:

a. What Environmental Flow would Xeneca provide at the proposed Wabagishik Rapids GS – in each season?

The proposed environmental flows can be found in the operating plan of the project which will be part of the ER. This number will be further refined and finalized after discussion with government agencies and in a manner that addresses ecological requirements of the river system.

b. Would Xeneca provide a minimum flow of 2/3 of normal flow, as per LRIA guidelines? The proposed environmental flows can be found in the operating plan of the project which will be part of the ER. This number will be further refined and finalized after discussion with government agencies and in a manner that addresses ecological requirements of the river system.

c. Would Xeneca use peaking operations more than once a day when flow conditions warrant? If so, how many times a day? Maximum number?

Whenever possible, peaking will occur once a day as it is the least stressful peaking regime for the turbine, generator and downstream ecosystem. Under certain flow conditions, the peaking could occur more than once per day when the plant is operating intermittently. For example, this type of operation could occur when commitments for maintaining downstream flows require that certain minimum flows or levels are achieved.

d. What will the increase in volume of flow be between the minimum environmental flow, and the flow provided by full power generation at maximum turbine speed?

According to proposed operating plan, the flow variations could be from under 5 m³/s to41 m³/s. The operating plan is still in draft and will be finalized with the ER.

e. What will your turbine ramp speed and timing be – the time to take a turbine from a stopped position to full operating speed?

In the draft operating plan, the ramp up and ramp down time has been proposed at 20 minutes. Gradual ramping is used to allow downstream water levels to increase or decrease gradually rather than abruptly.

f. How far downstream would the effects of Xeneca's operating strategy impact the riverine ecosystem – the expected variable flow reach?

The Spanish River confluence is about 5 km downstream of the proposed project site, and we believe that the effects of the Wabagishik Rapids project operation will be negligible beyond the confluence. Xeneca is currently working on the hydraulic modeling to verify this assumption.

g. How would Xeneca protect the natural river habitat and aquatic life from the daily fluctuations in water levels, and flow rates?

This information will be available in the Class EA; we are now studying the issue and developing a mitigation plan. The mitigation will focus on limiting the daily fluctuation in water levels to the range that occurs within the existing channel and well within the range of fluctuations that occur naturally in the river over time and seasons.

h. What will the pulsing effect of daily and/or frequent peaking have on the downstream and upstream river ecosystem?

The Operating Plan (OP) recognizes the importance of the spawning bed downstream of the facility and the need to provide flows to this area during periods of habitat activity. The following will be incorporated in the OP:

- a. Spring Operation: No intermittent operation will occur during this period to protect spawning and other habitat considerations.
- **b. Summer Operation:** Minimum flows are set at a level that reflects reduced habitat activity during this period. Ramp rates were set to minimize sudden changes of flows.
- c. Fall Operation: Minimum flows would be set at a level that reflects reduced habitat activity during this period. Ramp rates were set to minimize sudden changes of flows.
- d. Winter Operation: Minimum flows are set at a level that reflects minimal habitat activity. Ramp rates are proposed minimize sudden changes in flow.
- **e. Intermittent Operation:** A lake-like feature begins downstream of the facility and the spawning bed. It was concluded that the effects of variable flow due to intermittent operation will not be significant beyond this point. Further hydraulic modelling work is underway to further inform this matter.

Biologists will assess and list effects in the effects table that will be included in the Environmental Report.

i. How much will the upstream lake level fluctuate on a daily basis?

The project operating plan has a proposed 10 cm maximum daily fluctuation of Wabagishik Lake.

j. What are the maximum number of hours Xeneca would hold water back in the holding pond?

The total inflow of water into the headpond will be equal to the total flow released from the project site in any 24-hour period.

k. How would Xeneca protect the stakeholders, public and children who may be downstream of the proposed dam, i.e., camping, boating, fishing, or swimming, from the rapid change in water levels and flow velocity?

Safety is paramount. Xeneca will be working with a third-party engineering firm to develop a dam safety plan, which will be available for public viewing once complete.

I. What dam safety protocol is planned to address the variability of flows and rate of change of flows and levels?

As previously noted, Xeneca will be working with an independent engineering firm to develop a dam safety program.

m. How will strength, stability and safety of ice be affected by the frequent and daily rise and fall of water levels throughout the winter season?

Xeneca will work with an independent river ice expert to assess the stability and safety of ice due to intermittent operation of the plant.

n. How would Xeneca protect and ensure the safety of those people ice fishing and snowmobiling, both upstream and downstream of the dam site?

Xeneca continues to work with local tourist operators and local snowmobiling clubs/associations and will ensure that appropriate safety measures are taken.

o. Would Xeneca run the Wabagishik GS in an operating strategy which is timed and coordinated with the three dams proposed on the Upper Vermilion River, at McPherson, Cascade and At Soo Crossing?

No. The effects of the three Upper Vermillion River projects will not be felt at the Wabagishik projects site due to flow attenuation in the upstream reservoirs and lakes.

13. Would Xeneca provide safe upstream and downstream fish passage?

The need for fish passage is being discussed with MNR and DFO. Any decisions on fish passage will be done after interaction studies and input from these government agencies.

14. Would Xeneca provide fish friendly turbines?

At this time, Xeneca is investigating the use of the Kaplan type turbine, which is considered to be the most fish-friendly of all major turbine types available in the marketplace today.

15. Is Xeneca aware that last year a Lake Sturgeon was caught at Graveyard Rapids?

We have discussed this with the MNR biologist on the file and are in agreement that this cannot be taken as a definitive record of sturgeon being present in the River. Natural Resources Solutions Inc. (NRSI), Xeneca's biology consultant, continues to look for Sturgeon as per their agreement with MNR. If Sturgeon are present, they may show up in their catch at some point.

- 16. Would Xeneca provide low flow turbines to accommodate these low flow conditions? This will be decided during the design phase.
- 17. Would Xeneca provide a portage route for canoeists to pass around the proposed dam? Xeneca continues to work with local stakeholders and, for all projects, has committed to maintain existing canoe routes by putting in a portage trail where necessary.
- 18. As a result of the dam and headpond, what will the maximum upstream lake level be? Xeneca is proposing to maintain the lake level at levels between (a) the average annual lake level in the low-flow seasons and (b) natural lake level in the spring high season.

- 19. Has Xeneca worked out a Water Management Plan and Agreement with Domtar and Vale yet? Xeneca has exchanged project information with Vale and is in frequent communication with both Vale and Domtar.
- **20.** Would Xeneca place funds in trust for future decommissioning costs for removal of the dam? There are no plans to decommission this dam. Xeneca is entering into a 40-year contract with the Ontario Power Authority (OPA) and hydro facilities are well known to have a lifespan of 80+ years.
- 21. Would Xeneca compensate lake dwellers for any property damage or loss incurred because of dam construction, failure, operating strategies, water levels, ice, or other conditions created as a direct result of your dam and its operating strategy?

We do not anticipate any property damage or loss at any time due to our dam, but if such an event were to occur we would evaluate the need for compensation.

- 22. What are the anticipated cumulative effects of this proposed Wabagishik dam, considering the additional stress caused by the 3 proposed Upper Vermilion dams, 9 upstream waste water treatment facilities, numerous lift stations, sewage lagoons, the Stobie Dam, Lorne Falls Hydroelectric Dam, and the Domtar Mill on the Vermilion River, Spanish River, and ultimately the Great Lakes? Cumulative effects will be addressed in the federal environmental assessment screening document.
- 23. What provisions have Xeneca made for Climate Change, which scientists agree will include an increase in extreme weather events, including extreme drought and flooding conditions?

 The proposed project will reduce greenhouse gas emissions compared to equivalent generation from a coal-fired station and therefore have a positive impact on climate change.

You commented in your letter that there was "virtually no detailed information at this PIC to show exactly what Xeneca is proposing to build, or even specifically where in the rapids it would be built. There was no detail provided for what will be built, where it would be built, or what the impacts would be. All information was very general, sparse, non-specific and lacking."

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 - In The Chute Environmental Report for the Ivanhoe River, this report clearly stated that, "due to the limited storage at The Chute, all inflow from upstream will be passed downstream within 48 hours." This number of "48 hours" was repeated many times throughout that report.
 - That same evening, one of Xeneca's biologist team members stated that Mark Holmes

was mistaken when he said flow would only be held back for a maximum of 24 hours, but that flows would actually be held back for up to 48 hours.

Response: The length of time that water will be held back is determined in the Operating Plan. Operating Plans are among the last items that get negotiated with various government agencies and stakeholders. For Wabagishik Rapids, the maximum length of time that water will be held back has not yet been determined.

Based on discussions with agencies, several sites have come down to a maximum holding time of 24 hours. On The Chute, for example, Xeneca started by proposing 48 hours but has now come down to 24 hours.

- 2. Mark Holmes was also asked whether peaking operations would be used more than once a day, and the answer was "no".
 - In the Wanatango Falls Environmental Report, Chris Chenier, Cochrane MNR asked, "Given enough water, is there a possibility to do peaking operations more than once a day?" The answer from Uwe Roeper was, "yes".

Response: Under the FIT Program, there is only one "peaking period" (of 8 hours from 11 am to 7 pm) during the day, but the actual plant operation depends on water levels and flow requirements at a certain site. A Generating Station may operate or change output several times during one day in order to manage flows or water levels. We regret any confusion we may have caused in explaining the plant operations. The operations plan describes these aspects in more detail and will be included in the ER. To address this issue we are preparing illustrations of typical daily plant operation under various flow conditions. These illustrations will be included in the ER.

3. Vermilion River Stewardship would also like to note, that on 8 May 2011 VRS made a request to Xeneca for documents related to the Wabagishik hydroelectric proposal, to which there has never been a response. VRS filed a Freedom of Information Application with MNR, who eventually agreed to provide 4 of these documents to VRS. However, Xeneca immediately appealed MNR's decision, and none of these documents were ever received from Xeneca or MNR. This again hlghlights the obstructive and uncooperative stance Xeneca has taken towards stakeholders and the public. As a follow-up, recently these documents were obtained through the Department of Fisheries and Oceans, and the Canadian Environmental Assessment Agency which, fortunately for the public, are fully transparent.

Response: Xeneca is committed to an open and transparent development process, and makes relevant project information available to stakeholders in a timely manner. Information must, however, be in a state of completeness that allows stakeholders to comment and make assessments based on the most up-to-date information available. In some cases, project design and operation may change through consultation with government and regulatory agencies as well as through consultation with stakeholders and First Nations and Aboriginal Communities. In other infrequent cases, information related to the project involves private or commercially sensitive information which, for legal or ethical reasons, may not be released to the general public. We continue to work with our stakeholders to ensure timely and appropriate release of information to all interested parties.

Once again, thank you for your input and questions.

We look forward to an ongoing dialogue with the Vermilion River Stewardship.

Yours truly,

Stephanie Hodsoll Stakeholder Relations Xeneca Power Development

Vermilion River Stewardship





7 August 2012

Xeneca Power Development Inc. c/o Stephanie Hodsoll 6255 Yonge Street, Suite 1200 North York, ON M2N 6P4 SHodsoll@xeneca.com

Dear Ms. Hodsoll:

Re: 25 July 2012 Public Information Centre

Proposed Wabagishik Rapids Development Wabagishik Rapids GS – Comments & Questions

Further to our 3 August 2012 letter regarding the 25 July 2012 Public Information Centre for the proposed Wabagishik Rapids, Vermilion River Stewardship has a few additional questions in reference to the attached PIC Panels:

- In Panel #8, "Archaeology", you indicate that one archaeological site was discovered on the north side of the rapids. At the PIC one of your staff indicated that native artifacts were found at this site. Has Xeneca reported this find to Whitefish River First Nation, Atikameksheng First Nation and Wahnapitae First Nation?
- 2. In this same Panel, it states "Stage 3 work is scheduled at this archaeological site for summer/fall of 2012".
 - a) Has Xeneca invited Whitefish River FN, Atikameksheng First Nations and Wahnapitae First Nations to participate in this work?
 - b) Would this site be affected by the proposed inundation area or dam/weir construction?
- 3. In Panel #15, "Aboriginal Engagement", you indicate 1 meeting with Atikameksheng Anishnawbek First Nation (Whitefish Lake), and no meetings with Whitefish River First Nation or Wahnapitae First Nation. This is disturbing as the Vermilion River, and therefore Wabagishik Rapids, is contained within their traditional territories. So, why

has Xeneca not made a greater effort to consult with these First Nations when you clearly have a duty to consult?

Vermilion River Stewardship looks forward to your timely comments and answers to our questions. Thank you.

Sincerely,

Linda Heron

Chair, Vermilion River Stewardship

Attachment - 25 July 2012 - PIC Panels

Cc: Glenn Thibeau, NDP MP - glenn.thibeault@parl.gc.ca

France Gelinas, NDP MPP - FGelinas-co@ndp.on.ca

Jacques Barbeau, City Councillor - Jacques.Barbeau@greatersudbury.ca

Carolyn Hunt, Environmental Group - Water Management, Vale - Carolyn. Hunt@vale.com

Chief Steven Miller, Atikameksheng Anishnawbek - Chief@wlfn.com

Christian Naponse, Atikameksheng Anishnawbek - CNaponse@wlfn.com

Chief Myles Tyson, Wahnapitae First Nation - Myles.Tyson@wahnapitaefn.com

Peter Recollet, Wahnapitae First Nation - Peter.Recollet@Wahnapitaefn.com

Chief Shining Turtle, Franklin Paibomsai, WRFN - Chief@whitefishriver.ca

Art Jacko, Economic Development Officer, WRFN - AJacko@uccm.ca

Laurier Falldien, Mayor, Nairn Hyman Township - LaurierFalldien@nairncentre.ca

Kelly Eggers, DFO - Kelly. Eggers@dfo-mpo.gc.ca

Ellen Cramn, MOE - Ellen.Cramn@Ontario.ca

Wayne Selinger, Espanola MNR – Wayne.Selinger@Ontario.ca

Bob Robinson, Sudbury MNR - Bob.Robinson@Ontario.ca

Bruce Richards, Sudbury MNR - <u>Bruce.Richards@Ontario.ca</u>



Welcome to our Public Information Centre

Thank you for your continued interest in this project. Your comments, concerns and input on environment, social issues and economic considerations have helped to make this a better project.

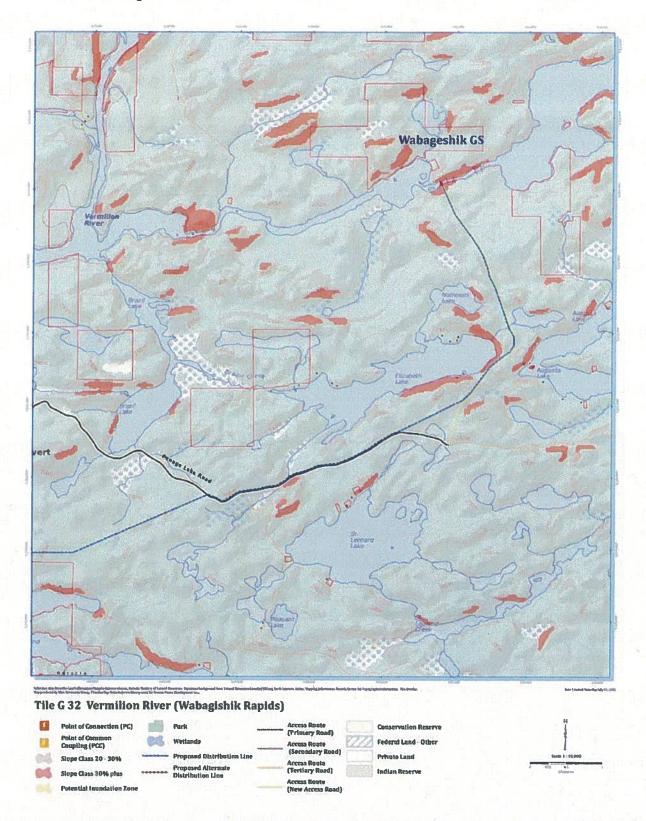
Today's Public Information Centre (PIC) will give you up-to-date information on the Class Environmental Assessment (Class EA) process for this project and provide an opportunity to learn more about the project with results of substantive additional field studies conducted in 2011 through spring 2012.

This PIC is an important part of the public consultation process associated with the Class EA process so we thank you for joining us today. We welcome your additional input so If you have further comment or observations please fill out a comment form before you leave our meeting.

For your convenience copies of the presentation material, as well as current project information, can be found on the Xeneca website at www.xeneca.com
Thank you for joining us today.



Proposed Access & Power Lines



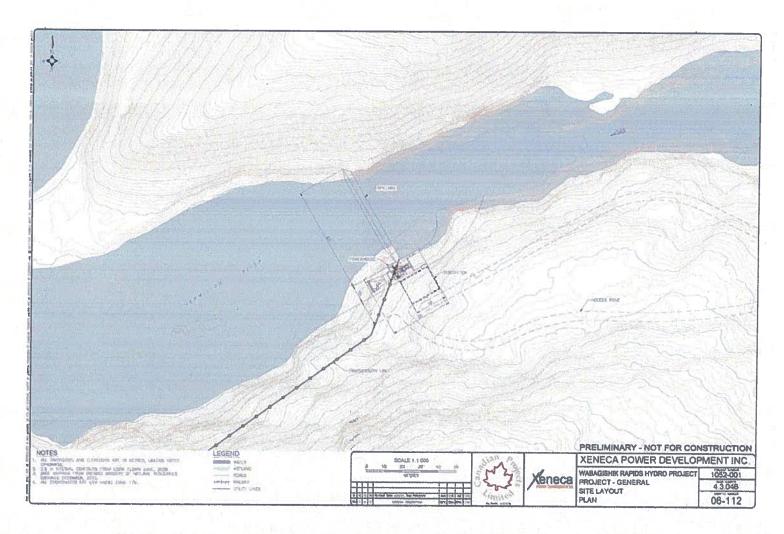


Location Map





Layout Design

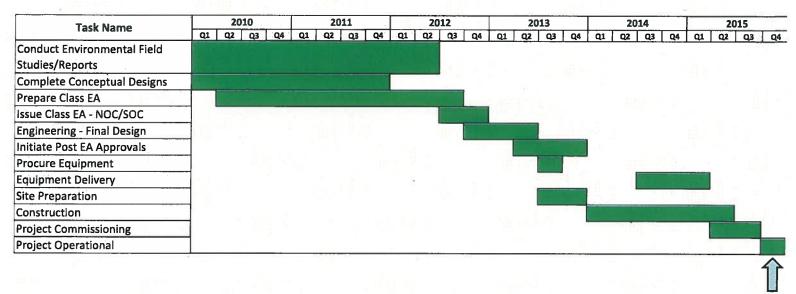


What Has Changed?

In response to public concerns raised and further studies since the March 2011 PIC, the facility has been relocated a short distance upstream (about 300 m) to preserve an important fish spawning bed that would have been flooded under the original project concept. The headpond is connected to Wabagishik Lake and most of the time project will follow natural lake level with a +/- 5 cm fluctuation in the lake level.

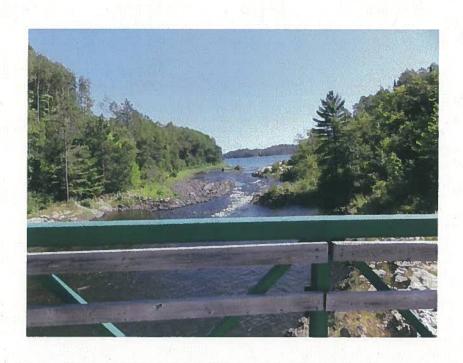


Timeline – Next Steps



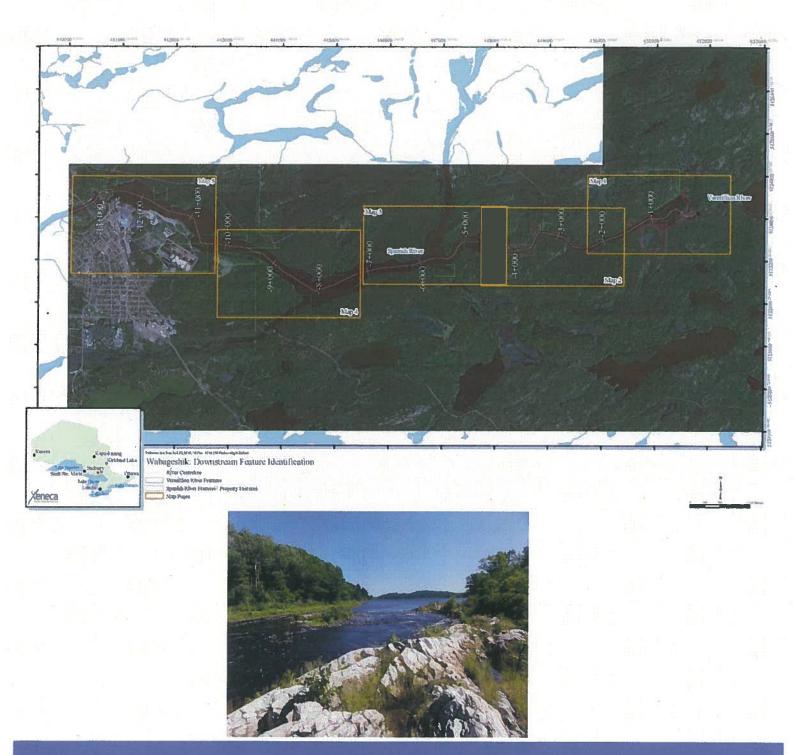
(Extended FIT Contract Operation Date: October 2015)

*Archeological studies, EA monitoring and field studies will be ongoing throughout the development process and First Nation and non-Aboriginal engagement will continue as well.





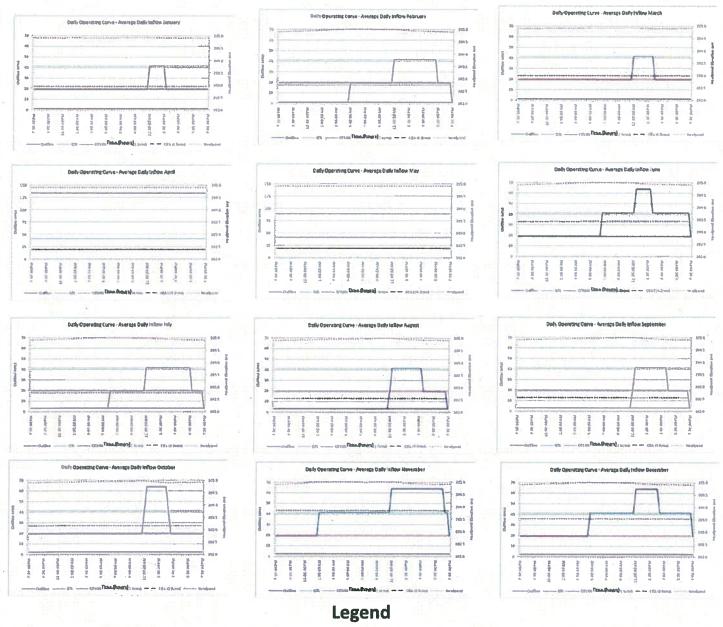
Downstream Zone of Influence & Effects





Typical Monthly Operations, Flows & Water Level Charts

The charts are based on the PROPOSED Dam Operating Plan (DOP.) These numbers may change pending the outcome of discussions with regulatory agencies & stakeholders.



Outflow – Flow through turbine
QTL – Limited turbine flow (65% of turbine design flow)
QTMIN – Minimum turbine flow (30% of turbine design flow)

QEA – Environmental Flow

QIN - Natural Flow



Archaeology

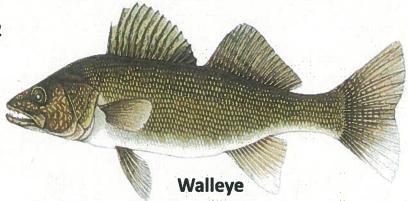
- Woodland Heritage Services Limited was retained to complete archaeological assessments in accordance with the Standards and Guidelines for archaeological assessment as set out by the Ontario Ministry of Tourism, Culture & Sport (MTCS.)
- A Stage 1 archaeological assessment was conducted in fall & winter 2010/2011 submitted to & accepted by the MTCS. The Stage 1 report evaluated the existing archaeological knowledge of the study area & recommended areas where Stage 2 research is required.
- Stage 2 archaeological work was conducted in the fall of 2011. One archaeological site was discovered on the north side of the rapids.
- Stage 3 work is scheduled at this archaeological site for summer/fall of 2012 in accordance with MTCS regulations.
- All archaeological recommendations must be reviewed & approved by MTCS, independent of the Feed-In-Tariff (FIT) process.



Wabagishik Rapids 2010 and 2011 Ecological Field Studies

	Ecological Study	2010	2011
	Summer Fish Community Surveys	V	1
	Walleye Spawning Surveys	V	
	General Aquatic Habitat Characterization	1	
ii.	Invertebrate Sampling		-√
Aquatic	Detailed Aquatic Habitat Characterization and Quantification		1
	Fish Tissue Sampling for Mercury	y B E A	1
	Fish Sampling Targeting Sturgeon	esd mill*	1
	Sturgeon Spawning Survey		√
	Breeding Bird Surveys	V	# L3
stria	Deer Monitoring Surveys	penal mo E A	1
Terrestrial	Incidental Wildlife Surveys	1	1
	Vegetation Community Assessments	1	

* No field studies completed in 2012





Wabagishik Rapids Fish Community

Scientific Name	Common Name	S-Rank	SARA (Federal Status)	ESA (Provincial Status)
Acipenser fulvescens	Lake Sturgeon	S2	NAR	THR
Sander vitreus	Walleye	S5	NAR	NAR
Esox lucius	Northern Pike	S5	NAR	NAR
Catostomus commersoni	White Sucker	S5	NAR	NAR
Ameiurus nebulosus	Brown Bullhead	S5	NAR	NAR
Lota lota	Burbot	S5	NAR	NAR
Moxostoma macrolepidotum	ShortheadRedhorse	S5	NAR	NAR
Moxostoma erythrurum	Golden Redhorse	S4	NAR	NAR
Micropterus dolomieu	Smallmouth Bass	S5	NAR	NAR
Ambloplites rupestris	Rock Bass	S5	NAR	NAR
Percina caprodes	Logperch	S5	NAR	NAR
Rhinichthys cataractae	Longnose Dace	S5	NAR	NAR
Phoxinus eos	Northern Redbelly Dace	S5	NAR	NAR
Etheostoma nigrum	Johnny Darter	S5	NAR	NAR
Perca flavescens	Yellow Perch	S5	NAR	NAR
Lepomis gibbosus	Pumkinseed	S5	NAR	NAR
Umbra limi	Central Mudminnow	S5	NAR	NAR
Pimephales notatus	Bluntnose Minnow	S5	NAR	NAR
Pimephales promelas	Fathead Minnow	S5	NAR	NAR
Notropis atherinoides	Emerald Shiner	S5	NAR	NAR
Culaea inconstans	Brook Stickleback	S5	NAR	NAR
Coregonus sp.	Cisco sp.	N/A	NAR	NAR

- 22 fish species identified in study area
- Walleye spawning confirmed within Wabagishik Rapids



Wabagishik Rapids Terrestrial Survey Results

- Two vegetation communities types identified, as per Ecological Land Classification, within the inundation area.
 - Aspen-Birch Hardwood and Mixedwood are common communities within Northern Ontario.
- Forty-nine bird species observed, two of which demonstrated confirmed breeding evidence (spotted sandpiper, common grackle).
- Ten common mammal species observed.
- Three species of frogs and toads, and one salamander species observed.
- One snake species (northern red-bellied snake) observed through cover board surveys.









Species at Risk at Wabagishik Rapids

- Background review indicated the potential for 6 Species at Risk (SAR) to be in the study. These include
 - 3 birds
- 1 turtle
- 1 snake
- 1 fish
- Background review indicated potential for 4 species of conservation concern. These include: 1 bird, 1 snake, 1 turtle and 1 bat.
- No regulated SAR species (Threatened or Endangered) observed by NRSI Staff. Lake Sturgeon, listed Threatened under the provincial Endangered Species Act (ESA), was confirmed by others within the Vermillion River, and suitable habitat is present in the study area.
- Potential habitat is present for Blanding's Turtle, which is listed as Threatened under the provincial ESA and the federal Species at Risk Act.
- NRSI confirmed Bald Eagle and Osprey Nesting, Foraging and Perching Habitat: Observed both bald eagle and osprey within the project area.
- Candidate Significant Wildlife Habitat was identified within the project location including:
 - Reptile Hibernaculum
 - Denning Sites for Mink, Otter, Marten, Fisher and Eastern Gray Wolf
 - Eastern Milksnake Habitat
 - Northern Long-eared Bat Habitat
 - Turtle Wintering Areasneca.com



Stakeholder Engagement

Xeneca maintains a strong commitment to an open & productive consultation process. We are committed to providing opportunities for ongoing dialogue with our stakeholders.

EA	General natural environment – 31				
Considerations	Aquatic & riparian ecosystem – 10				
/ Number of	Land & Resource use – 38 Social & Economic – 3				
Stakeholder					
****	Energy/Electricity – 5				
Contacts	EA Process/General – 202				
Specific Issues	This is a very high interest project with many issues raised. Here is an outline of some of the				
Raised by	more prominent issues:				
Stakeholders &	1. Snowmobile Routes & Bridges				
A 11.11	Acheea continues to work with the showmobiling community regarding routes & bridges.				
Mitigation	2. Vermilion River & Lake Wabagishik - Water flows, seasonal water levels, water quality,				
Measures	peaking operations				
1 31,	Hydraulic modeling, flows & operation plans combine to provide realistic water flows &				
	seasonal water levels during operation. 3. Recreational safety/portage routes				
	4. Through its socio-economic study, Xeneca will determine where portaging/other				
	recreational use occurs and, if affected, will mitigate.				
	5. Gross Revenue Charge				
	Xeneca is working with municipalities to help them get their fair share.				
	6. Environmental Impacts - Fish/other aquatic species in Vermilion River (including				
	Sturgeon & Walleye), fish passage, terrestrial species, spawning ground, ecological				
	integrity the second of the se				
5 21	Please see environmental panels with biology studies & results.				
	7. Economy – Impact on local economy, job creation				
	Construction & operation of the project will generate a positive economic effect in				
m to the latest	Sudbury & surrounding area for the local population & First Nations Community				
	members.				
	Economic benefits include promotion of contract bids & offers of service from local				
. 3	communities, procurement of local & regional construction labour & materials, consulting & legal services, trucking & other services such as accommodation, food and fuel from				
	local merchants (e.g., accommodation, food, gas providers) in the area are expected to				
	benefit from construction activities.				
T	Direct job creation (construction) is estimated to be approximately 34,000 person hours				
_ " "	of work.				
	** Xeneca continues to work with private landowners upstream and downstream, as well as				
	with Vale and Domtar (existing industry.)				





Stakeholder Consultation Efforts

Xeneca's consultation program provides outreach to identify potential stakeholders, engage stakeholders & provide the means and opportunity for public participation in the development process.

The goals of the public consultation program are to:

- •Identify & notify potentially interested & affected stakeholders;
- •identify & assess the range of positive & any potentially negative environmental & socio-economic effects of the project; and
- •address the concerns of adjacent property owners, interest groups & members of the public that may be directly affected by the project.

To achieve these goals, the public consultation program will continue to:

- identify potentially affected stakeholders;
- describe how the project may affect the natural and socio-economic environment;
- provide appropriate notification to identified stakeholders as prescribed by CEAA and the Waterpower Class EA;
- inform the public where, when & how they can engage in the process;
- identify public benefits, concerns & issues related to the project;
- address public concerns & issues raised regarding development & operation; and
- document public input & how public concerns are addressed, issues are avoided or mitigation measures are put into place during project planning & development.

Consultation Effort	Date
Notice of Commencement (advertised in French & English in Midnorth Monitor & Sudbury Daily Star)	July 28 & 31, 2010; August 4, 21, & 25, 2010 September 1, 2010
Notice of Commencement re-issued (advertised in French & English in Midnorth Monitor & Sudbury Daily Star)	November 10, 13 & 17, 2010
First Public Information Centre (advertised in French & English in Midnorth Monitor & Sudbury Daily Star)	March 22, 2011 in Espanola
Project Information & Map Provided to Stakeholders in Takehome Package	March 22, 2011 in Espanola
Solicited Comments on Comment Forms	March 22, 2011 in Espanola
Presentation to City of Sudbury Planning Committee	March 23, 2011
Second Public Information Centre (advertised in French & English in Midnorth Monitor & Sudbury Daily Star)	October 20, 2011 in Espanola
Solicited Comments on Comment Forms	October 20, 2011 in Espanola
Presentation to City of Sudbury Chamber of Commerce	November 17, 2011
Consultation with Science North & their Living with Lakes & Rivers program	November 30, 2011
Presentation to Local Citizen Committee for the Sudbury Forest	November 30, 2011
Presentation at Inaugural Meeting of of Vermilion Stakeholder Advisory Committee (VSAC)	February 23, 2012
Project update emails to stakeholder contact list / Response to stakeholder questions/ Website updates / Letters to stakeholders/stakeholder groups	As applicable
Meetings with private landowners, Vale, Domtar	As applicable



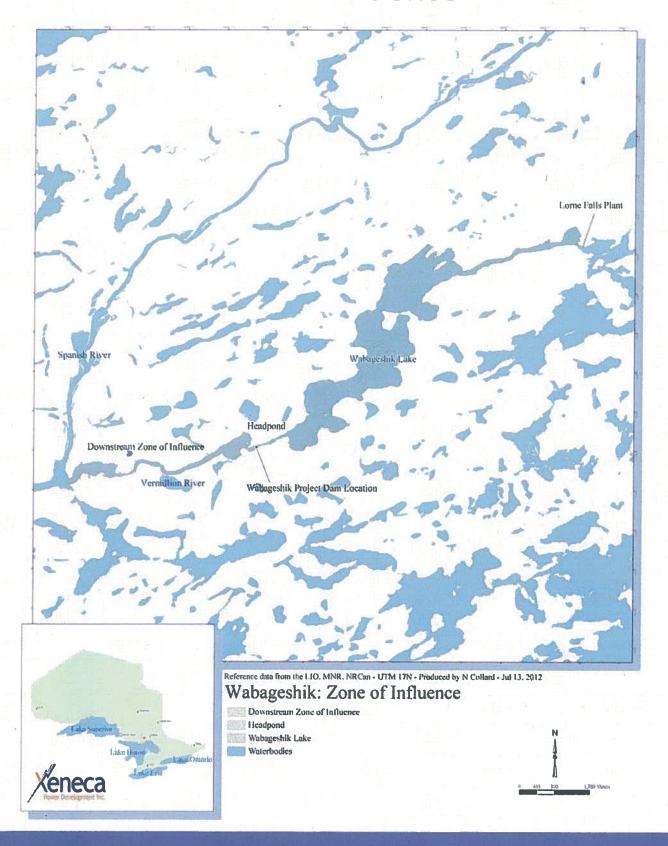
Aboriginal Engagement

First Nations (FNs) & Métis hold a unique position in Canada & have a legally protected right to participate in the development & review of resource management strategies or plans in areas they assert to be traditional territories, including Crown lands outside areas where treaties apply. Xeneca has given particular consideration to the concerns of FNs & Métis located in the vicinity of, or having a potential interest in, the project. Aboriginal Communities have been identified, notified, consulted & involved in an appropriate manner. Xeneca will continue to find opportunities to work closely with Aboriginal communities, for example on the archaeological study for the site and other aspects of the Class EA process where they may have an interest.

Consultation Efforts	 Introductory package sent to Aboriginal Communities on June 24th, 2010 Ongoing communication via e-mail, phone, in addition to face to face meetings & teleconferences with Communities One (1) meeting with Atikameksheng Anishnawbek First Nation (Whitefish Lake) Four (4) meetings with Métis Nation of Ontario Nine(9) meetings with Sagamok Anishnawbek First Nation One (1) meeting with Wikwemikong Unceded Indian Reserve General natural environment – 0
Considerations/ Community Issues	Aboriginal Community Considerations - 6
Specific Issues Raised by Communities	Consultation plan with Aboriginal Communities; Economic participation of Aboriginal Communities; First Nations to perform own studies on potential effects of project, Archaeological study participation; Biological Assessment reviews; Traditional Land Claims, Province / First Nation natural resource jurisdiction issues over resource development.
Xeneca's Response to Issues Raised by Communities	 Xeneca's Aboriginal Consultation Plan is a DRAFT document that can be modified to incorporate an Aboriginal community's specific conditions or protocols. Xeneca is prepared to enter in an Agreement and develop a business structure that fosters business relationships. Xeneca utilizes reputable third party contractors to complete environmental, technical & archaeological studies. Xeneca is willing to be cooperative to third party review. Xeneca invites Aboriginal Communities to participate on Stage II archaeological field studies and review/meetings of subsequent reports. If Stage III is necessary, Xeneca will also invite participation. Xeneca is willing to share Environmental Studies to enable Aboriginal Community review. Xeneca acknowledges & has documented the First Nation community assertion that a Land Claim is being prepared that encompasses the project location. Xeneca respects the First Nation's position regarding resource jurisdictions and acknowledges that the dialogue must be take to a government to government level. Xeneca is corporately responsible to the policies and legislation in Ontario.

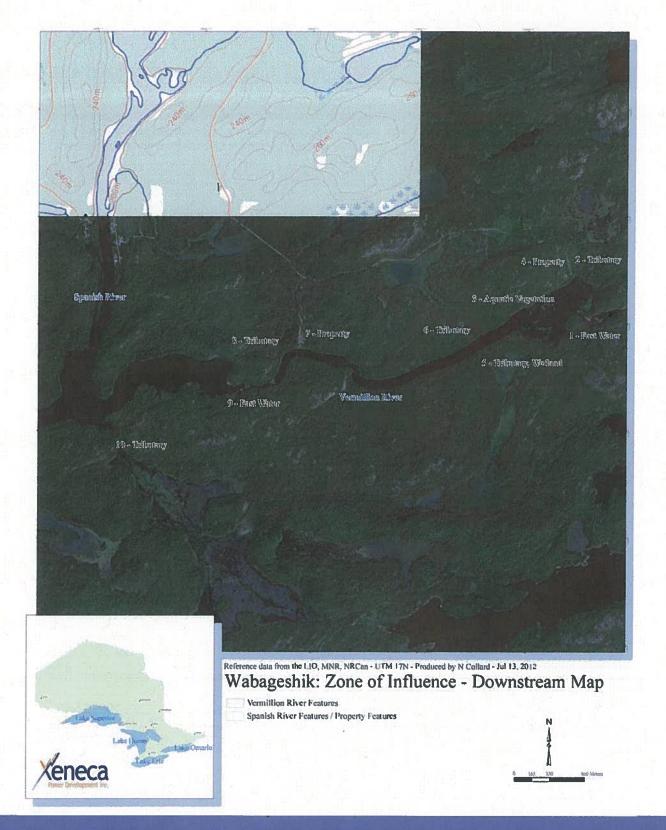


Zone of Influence





Downstream Zone of Influence (1 of 2)





Downstream Zone of Influence (2 of 2)





Thank you for visiting today's Public Information Centre (PIC)

We appreciate your continued interest in this project. Your comments, concerns and input on environment, social issues and economic considerations have helped to make this a better project.

We encourage everyone who has an interest in this project to fill out & submit a comment card before leaving so that we can track ideas & concerns.

Xeneca's overall consultation process does not end with this PIC as we will continue to communicate regularly with stakeholders throughout the development & operational phases.

Your participation today is important; we appreciate your time & effort. We are committed to doing it right.

Thank you for coming.

To Contact Xeneca:

Stephanie Hodsoll - Stakeholder Relations & Public Affairs Liaison 416-590-9362, shodsoll@xeneca.com

Vermilion River Stewardship





9 August 2012

Mark Holmes
VP Corporate Affairs
Xeneca Power Development Inc.
6255 Yonge Street, Suite 1200
North York, ON M2N 6P4
MHolmes@xeneca.com

Dear Mark:

Re: Formal Request for Silt & Sediment Testing on Wabagishik Lake

Vermilion River Stewardship (VRS) is concerned over what is contained in the silt and sediment in the bottom of Wabagishik Lake, and what will be stirred up with the constant pulsing action resulting from your modified run-of-river operations.

I remind you of the conversation that took place at the May 22, 2012 Vermilion Stakeholders Advisory Committee meeting when Laurentian University scientists, Graham Spiers and Charles Ramcharan, remarked that with the long history of over 100 years of mining along the Vermilion River Watershed, and keeping in mind the findings of the Sudbury Soils Study, there is a great likelihood that there will be highly toxic chemicals and heavy metals contained in the silt and sediment of the Vermilion River and its connecting lakes. It is of extreme importance to know what could be stirred up and deposited into fish tissue and local drinking water, as public health and safety is a top concern.

I have spoken to you on a few occasions about doing this silt/sediment testing on the Vermilion River, so I am following up with this formal request for Xeneca to do a full metals and chemical testing of the sediment in the bottom of Wabagishik Lake, as well as just downstream of the discharge area.

VRS requests that you hire an independent consultant that is not associated with the Vermilion Stakeholders Advisory Committee. Thanks you.

VRS looks forward to your response.

Sincerely,

Linda Heron

Chair, Vermilion River Stewardship

Cc: Glenn Thibeau, NDP MP - glenn.thibeault@parl.gc.ca

France Gelinas, NDP MPP - FGelinas-co@ndp.on.ca

Jacques Barbeau, City Councillor - Jacques.Barbeau@greatersudbury.ca

Carolyn Hunt, Environmental Group - Water Management, Vale - Carolyn.Hunt@vale.com

Chief Steven Miller, Atikameksheng Anishnawbek - Chief@wlfn.com

Christian Naponse, Atikameksheng Anishnawbek - CNaponse@wlfn.com

Chief Ted Roque, Wahnapitae First Nation - Ted.Roque@wahnapitaefn.com

Peter Recollet, Wahnapitae First Nation - Peter.Recollet@Wahnapitaefn.com

Chief Shining Turtle, Franklin Paibomsai, WRFN - Chief@whitefishriver.ca

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Ellen Cramn, MOE - Ellen.Cramn@Ontario.ca

Wayne Selinger, Espanola MNR - Wayne.Selinger@Ontario.ca

Bob Robinson, Sudbury MNR - Bob.Robinson@Ontario.ca

Bruce Richards, Sudbury MNR - Bruce.Richards@Ontario.ca

From:

Stephanie Hodsoll

To:

Muriel Kim; Kai Markvorsen

Subject:

FW: SILT/SEDIMENT TESTING - WABAGISHIK

Date:

October-02-12 3:50:44 PM

Attachments:

Response to Wabagishik Silt Sediment Testing - 17sept12.pdf

R2012-07-18 J100036 Wabageshik Rapids Water Quality and Fish Tissue Sampling.pdf

2012-08-09-VRStoXeneca-SiltSampling.pdf

Here's another to/from Vermilion River Stewardship!

Stephanie Hodsoll

Stakeholder Relations Xeneca Power Development 5255 Yonge St., Suite 1200 North York, ON M2N 6P4 (416) 590-3077

From: Stephanie Hodsoll

Sent: Monday, September 17, 2012 3:58 PM

To: Linda Heron

Cc: Glenn Thibeault, MP, NDP; France Gelinas, NDP MPP; Jacques Barbeau, Councillor; Carolyn Hunt - Environmental Group; Chief Steven Miller - Atikameksheng Anishnawbek; Christian Naponse, Atikameksheng Anishnawbek; Peter Recollet, Wahnapitae First Nation; Chief Shining Turtle, Franklin Paibomsai - WRFN; Art Jacko, Economic Development Officer, WRFN; Kelly.Eggers@dfo-mpo.gc.ca; Wayne Selinger, MNR Espanola; Bob Robinson - MNR; Bruce Richard, MNR Sudbury; 'Cramm, Ellen (ENE)'; Laurier Falldien; Mark Holmes

Subject: RE: SILT/SEDIMENT TESTING - WABAGISHIK

September 17, 2012

Hi Linda,

Please see the attached response to your August 9th letter. Along with the response letter, you will find attached a water quality monitoring plan.

If you have any questions or comments, please contact Mark Holmes or myself as Uwe will be away for the next few weeks.

Thank you!

Cheers, Steph

Stephanie Hodsoll

Stakeholder Relations Xeneca Power Development 5255 Yonge St., Suite 1200 North York, ON M2N 6P4 (416) 590-3077

From: Linda Heron [mailto:linda.heron@rogers.com]

Sent: Thursday, August 09, 2012 10:03 PM

To: Mark Holmes

Cc: Glenn Thibeault, MP, NDP; France Gelinas, NDP MPP; Jacques Barbeau, Councillor; Carolyn Hunt - Environmental Group; Chief Steven Miller - Atikameksheng Anishnawbek; Christian Naponse, Atikameksheng Anishnawbek; Chief Ted Roque, Wahnapitae FN; Peter Recollet, Wahnapitae First Nation; Chief Shining Turtle, Franklin Paibomsai - WRFN; Art Jacko, Economic Development Officer, UCCMM; Kelly.Eggers@dfo-mpo.gc.ca; Wayne Selinger, MNR Espanola; Bob Robinson - MNR; Bruce Richard, MNR Sudbury; 'Cramm, Ellen (ENE)'; Mayor Laurier Falldien, Town of Nairn & Hyman

Subject: SILT/SEDIMENT TESTING - WABAGISHIK

Importance: High

Please find attached our letter dated 9 August 2012, regarding our formal request for silt and sediment testing on the Vermilion River. Vermilion River Stewardship looks forward to your response!

Linda Heron Chair, Vermilion River Stewardship VermilionRiverStewards.ca

"Community Supporting a Healthy, Natural and Sustainable River System"



Vermilion River Stewardship



September 17, 2012

Dear Linda:

Re: Vermillion River Stewardship, formal request for silt & sediment testing - Wabagishik Lake

Further to your letter of 9 August, 2012, we note your concern about disturbing sediments in the bottom of Wabagishik Lake that may have been historically contaminated by mining activities. We also note your request to carry out testing in the bottom of the lake, as well as just downstream of the discharge area.

We have discussed your concern on the above topic with our engineers and technical consultants and would like to provide some relevant information.

As you are aware, the proposed Wabagishik Rapids facility consists of a dam and powerhouse to be located approximately one kilometre downstream from the outlet of Wabagishik Lake. The dam will be operated so that the upstream headpond level will be at the same level as the lake at all times. Since the lake level fluctuates naturally throughout the year by over 1.0 metre (39 inches), the water level at the dam will also fluctuate in the same manner. Water levels in the lake will only be controlled as follows:

- No control will be imposed on naturally high lake levels in Wabagishik Lake. These levels can
 exceed 205.5 mMSL during natural flood events. Sufficient flood passage capacity will be
 provided at the proposed dam to ensure that levels do not exceed natural levels and outflows
 are consistent with natural outflow rates.
- 2) During low flow periods and to the extent reasonably possible, it is proposed to keep lake levels from dropping below 204.5 mMSL. While not specifically intended to address possible sediment issues, this control will avoid exposing sediments that might otherwise be exposed during drought conditions.





3) During medium and low flows, it is proposed to carry out daily operation that will result in maximum lake level fluctuations of +/- 0.05 metres (approximately +/- 2 inches). This fluctuation is smaller than fluctuations resulting naturally from waves, wind set up and boating activity. It is believed that this amount of fluctuation will not be noticed or affect the hydrodynamic behaviour of the lake in any way.

Although we share your concern about disturbing historically contaminated sediments that may or may not exist in the lake, we are certain that the above operation will have no impact on sediment disturbance in the bottom of the lake.

With respect to the downstream area noted in your letter, there are two sections of river to consider. The first section consists of the one kilometre long rapid section immediately downstream of the lake. This section of river has been identified as an erosional environment with very fast moving water velocities. It consists mainly of rock surfaces with small local pockets of coarse sediment. This area will be partially occupied by the dam and the headpond. Due to the erosional nature of this section of river and the fast water velocities, the potential for sediment deposition from historic mining activity is very limited in this area. Further, we will inundate this area which will cause any sediment that may exist to remain in place. We believe that neither the potential for contaminants nor the risk of disturbance exists in this area.

The second downstream area exists at the base of the rapids approximately one kilometre downstream of the lake and beyond. A large glacial esker formation crosses the river at the base of the rapids. Sand and gravel have been washed out of the esker and deposited in the river reach downstream. While sediment movement was highly active in this area at one time (i.e. likely right after the last ice age), this section of river appears to be very stable at this time. The section of river crossing the esker has developed a stable cobble bed and the area downstream has formed a bay area full of sediment.

With respect to you concern about the "pulsing action" of the facility operation, we would like to note that the facility will only modify flows during moderate and low flows. Specifically, the facility will only operate when natural flows rates drop below the maximum turbine capacity of 64 m³/s. Since the area is stable at this time, the only flow rates that would significantly alter the developed channel formations and move sediment would be flood flows. For example, the 1:2 year flood flow rate is 268 m³/s. A typical spring flood flow is over 100 m³/s. We do not believe that the proposed operation will generate flow fluctuations that are large enough or flow rates that are high enough to cause significant sediment movement downstream.



In addition to the risk assessment discussed above, Xeneca has committed to a rigorous water quality and fish tissue testing plan with the Ministry of Environment. You will find a copy of the water monitoring plan in the environmental assessment information that is scheduled for release in the near future. Also contained therein is the draft operating plan for the proposed facility from which we have taken some of the information provided in this letter. We will notify you when this information is released for public review.

I hope that the above information helps to address the concerns expressed in your letter. Should you have any further questions or would like to discuss the matter with us, please do not hesitate to contact me.

Best regards,

Uwe Roeper, CEO

Xeneca Power Development

office - 416.590.3060

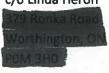
cell - 647.929.1162

uroeper@xeneca.com





Vermilion River Stewardship c/o Linda Heron



October 2, 2012

Dear Linda,

Thank you for your additional letter 7 August, 2012 letter regarding Xeneca's 25 July 2012 Public Information Centre for the Proposed Wabagishik Rapids in Espanola. The following is our response to your questions.

1. In Panel #8, "Archaeology", you indicate that one archaeological site was discovered on the north side of the rapids. At the PIC one of your staff indicated that native artifacts were found at this site. Has Xeneca reported this find to Whitefish River First Nation, Atikameksheng First Nation and Wahnapitae First Nation?

Xeneca's archaeology program is completely transparent to Aboriginal communities. On September 16, 2010, we issued correspondence to Aboriginal communities to raise awareness of the upcoming archaeology work, Stage I and reporting and field study and invited communities to participate. Stage I reports were mailed out to the communities on May 11, 2011.

Furthermore, in 2011, Woodland Heritage conducted Stage II field assessments and Xeneca voluntarily invited the all First Nations to participate as observers on the field study and further offered financial support to participate. At that time, communities did not express the interest to participate.

Following the Stage II field work and discovery of an archaeological site, Woodland Heritage has prepared a Stage II report and has submitted the report for mandatory review by the Ministry of Tourism Culture and Sport. Once these reports have passed review, they will be made

available to all Aboriginal communities. The discovery of an archaeological site triggers a Stage III study and further field work.

Recently, Xeneca made invitation to the communities to participate for the August field work as observers with Woodland Heritage. The Stage III study and reporting and associated Aboriginal consultation are mandatory and falls under the policy and guidelines of the Ministry of Tourism, Culture and Sport. Essentially all communities including Whitefish River First Nation, Atikameksheng Anishnawbek, and Wahnapitae First Nation will be aware of archaeological site at Wabagishik.

As an update, Xeneca had determined the site identified in the 2011 Stage II field work was close in proximity to the project but outside the project area, i.e. downstream from the project infrastructure and inundation. On August 21, 2012 Xeneca issued a correction notice to Aboriginal communities advising that the Stage III work has been recalled due to potential impact evaluation. The following is a sample of the outgoing message to the communities:

Good afternoon,

Xeneca had sent an e-mail notification to your Community last week to inform and invite your Community to participate in the upcoming Stage Three Archaeology Studies to be performed at the Wabageshik Rapids project location on the Vermilion River.

We would like to provide your Community an update to this schedule as the Stage Two Archaeology report recommends a Stage Three study IF the site cannot be avoided. Xeneca is committed to avoiding and protecting the site from impacts related to the proposed development of the Wabageshik project. Should plans change that would result in impacts to the site area, Xeneca is committed to conducting the necessary Stage Three studies as recommended.

We apologize for any confusion on this matter. Xeneca will be sending the Stage Two summary reports to your Community for review and input once it has been finalized and approved for distribution by Ontario's Ministry of Tourism, Culture & Sport.

Please feel free to forward any additional questions or comments to Dean Assinewe, Xeneca's Aboriginal Affairs Liaison, at (705) 863-1969 or by email dassinewe@xeneca.com.

- 2. In this same Panel, it states "Stage 3 work is scheduled at this archaeological site for summer/fall of 2012".
- a) Has Xeneca invited Whitefish River FN, Atikameksheng First Nations and Wahnapitae First Nations to participate in this work?

Yes, all First Nation communities were invited to participate in the Stage 3 field work this year.

b) Would this site be affected by the proposed inundation area or dam/weir construction?

No, this site is downstream of proposed dam/weir location, therefore will not be affected by the purposed headpond inundation and dam/weir construction. Xeneca will take extra precaution and additional mitigation measures to prevent erosion of the site.

3. In Panel #15, "Aboriginal Engagement", you indicate 1 meeting with Atikameksheng Anishnawbek First Nation (Whitefish Lake), and no meetings with Whitefish River First Nation or Wahnapitae First Nation. This is disturbing as the Vermilion River, and therefore Wabagishik Rapids, is contained within their traditional territories. So, why has Xeneca not made a greater effort to consult with these First Nations when you clearly have a duty to consult?

Xeneca's efforts to meet with all communities are among the highest of priority. Xeneca understands and respects the First Nation's discretion and priorities of the Aboriginal communities it must work with. Xeneca's goal is to establish a solid relationship with the Aboriginal communities so that the communities have sound understanding of the project and benefits, but equally important, Xeneca will understand and appreciate the values and culture of the community.

Xeneca is committed and adaptable to meet with Whitefish River First Nation and recent dialogue with their advisor has pointed the company in the *right approach*. Xeneca will continue with its efforts to meet with Chief Shining Turtle.

I hope we have answered your questions to your satisfaction; feel free to contact myself or Dean Assinewe, Aboriginal Relations Liaison at dassinewe@xeneca.com or 705 863 1969 for further inquiry about Aboriginal Relations

Yours truly,

Arnold Chan

Vice President Aboriginal Affairs & General Counsel

Notes from meeting with Ontario Rivers Alliance (ORA) November 16, 2012 Casey's Restaurant, The Kingsway, Sudbury

Attending for ORA:

Attending for Xeneca:

Linda Heron Jim Rook Uwe Roeper Mark Holmes

Meeting commenced at 12:30 p.m.

Discussion ensued on Xeneca's projects, including Wabagishik Rapids GS and Cascade Falls and Soo Crossing, all of which as located on the Vermillion River. It was noted that LH has a home in close proximity to the Vermillion River.

UR provided a brief overview of the Wabagishik project and timelines regarding submission of the Waterpower Class Environmental Assessment Report.

LH expressed concern over transparency of the Class EA process and the difficulty her organization and members of the public have in reviewing the vast amount of material contained within the Class EA Report.

MH reconfirmed Xeneca's commitment to provide ORA with a copy of the ER with as much advance notice as possible, and that Xeneca will also provide "unlocked" documents which will better enable ORA to review and assess the documents.

LH noted that her organization has had trouble getting answers to some of their questions and that requests to the Canadian Environmental Review Agency (CEAA) seemed to be the only means to obtain certain documents. With CEAA no longer requiring small waterpower projects to go through it s process, LH expressed concern that ORA will not be able to obtain meeting notes and minutes from meetings with government agencies.

UR assured LH and JR that every effort will be made to get the information to the ORA as requested.

MH asked if LH had received Xeneca's September 2012 letter responding to questions on siltation and sediment concerns. Responding affirmatively, LH said it was a thorough answer. LH also noted that recent correspondence sent to Al Hepburn regarding concerns over the Big Eddy Project in Pembroke had been received. She also noted Mr. Hepburn had complemented the thoroughness of the response.

Asked for other major concerns, LH indicated that Blue Green Algae represents a major threat to the Vermilion River. UR explained that Xeneca's proposed projects will not exacerbate an already existing

problem in the river. He noted that run-of river operation combined with smaller, relatively small head ponds will not increase algal blooms.

MH observed that tenured university professors from Laurentian University have supported the view that Xeneca's proposed projects would not worsen the algae problem in the river, and, with some design or operational programs, could possibly help improve the situation. MH urged LH to rejoin the Vermillion River Stakeholder Advisory (VSAC) which she declined citing that some committee members may have a conflict of interest.

MH disagreed noting that in its discussion over research related to waterpower projects VSAC noted any research funding would have to be approved independently through the university or through research and development entities such as NSERC and HydroNet.

UR noted that research should be a welcome part of water power projects as it adds to the overall understanding of the river system and the impacts and mitigation factors that can been incorporated into waterpower development.

After more discussion regarding Xeneca's work on waterpower projects and providing a timeline for moving the developments forward, MH and UR recommitted to ensuring that ORA is provided with as much information as possible and the earliest possible juncture in the process.

Meeting adjourned at 2:40 p.m.



Vermilion River Stewardship c/o Linda Heron

January 10, 2013

Re: Comments & Questions from July 25 2012 Wabagishik Rapids Public Information Centre (PIC)

Dear Linda,

Thank you for your questions and concerns from the Wabagishik Rapids PIC held in Espanola. As always, we appreciate the Vermilion River Stewardship's (VRS) participation in the Class Environmental Assessment (Class EA) process and your comments are welcome. Your participation in the Class EA process has helped make this a better project.

Please find below the answers to some of your questions. We appreciate your understanding that Xeneca's current focus is submission of Environmental Reports which ultimately will help better inform you, your organization and the stakeholder community as a whole.

1. Has Xeneca entered into any financial agreement with any members of the Vermilion Stakeholders Advisory Committee, or Laurentian University, for any studies, or offered any funding for bursaries, courses, or programs?

No, at this time there has only been discussion. No agreements are in place. Any such agreements would be open, transparent and scrutinized by the university for compliance with all regulatory processes and guidelines. Partnerships between universities and other entities including the private sector are common and actually assist in developing knowledge about environmental impacts of human activities. Research opportunities are actively being sought, but, as noted above, any such agreements would be under the oversight of regulating authorizes and open to public scrutiny.

- 2. <u>Headpond</u> -"The headpond created at the weir <u>could</u> extend into Wabagishik Lake."
 - a) Under what circumstances could the headpond extend into Wabagishik Lake?
 - b) How often could the lake be used as a headpond?
 - c) Could the headpond ever go dry?
 - d) How quickly could water levels change below the dam?
 - e) Could fish ever be stranded in pools when water levels drop?

- f) What would the head be on this "weir"?
- g) Is a bottom-draw dam being considered to help alleviate warming of water in headpond?
- h) What are the <u>maximum numbers of hours</u> water will be held back from the downstream flow in order to fill the headpond?
- i) Will this maximum number of hours detail be stipulated in the final operating strategy and Water Management Plan (WMP)? j) How can we be assured of compliance to the WMP?

This information is not currently available but will be part of the Environmental Report (ER.)

3. Is this current proposed operation still a "lake coupled" design?

The Wabagishik project is hydraulically linked to Wabagishik Lake and, as noted in this document and the draft ER, Xeneca will operate in order that natural lake levels are followed throughout the year. The effect of operations will involve very minor changes to lake levels. The range of plus or minus 5 centimeters is well within the range of natural and existing conditions. To put this into perspective, boat wakes and even wind set up can create fluctuations that exceed what Xeneca has proposed.

4. Spawning Area:

- a) How does moving the dam to its present location protect the spawning area?
- b) How do you propose to protect the spawning area from the intense pulsing and surging of river water levels and flow velocity?
- c) What affect will this dam and its operating strategy have on this spawning area?

The NRSI report (which has been promised to the Ontario Rivers Alliance) will answer these questions. In short, the spawning habitat will be protected through restrictions to operations (mitigation) and construction of compensation habitat.

5. Fish Passage:

- a) Will fish passage be provided for Lake Sturgeon and Walleye?
- b) If so, what type of fish passage will be provided?

The NRSI report (which has been promised to the Ontario Rivers Alliance) will answer these questions. In short, fish passage is not being provided because management objectives are being met without providing upstream passage for fish.

6. Xeneca must plan for a 1:100 year flood scenario:

- a) What would be the impact of this dam on Wabagishik lake water levels and local residents in the case of a 1 in 100 year flood scenario?
- b) How does Xeneca plan to prevent ice jams and any resulting flooding or damage to local residents' property?
- c) If damage to local residences occur will Xeneca be liable and provide funds to residents to cover the loss?

This information is not currently available but will be part of the Environmental Report (ER.)

7. Flow Variation:

- a) Will Xeneca leave 2/3 of river flow in the Vermilion River as the Lakes and Rivers Improvement Act recommends?
- b) What will be the minimum flow increase upon start-up of the turbine in cubic meters per second (cms)?
- c) What will the flow variation increase be from the environmental flow to full turbine speed in cms?
- d) How has Xeneca accounted for climate change in assessing viability of these proposals with the predicted increasing drought conditions and resulting lower flows?
- e) Will Xeneca use a low-head turbine for these low flow conditions?

This information is not currently available but will be part of the Environmental Report (ER.)

8. <u>Environmental Flow</u>:

- a) How many cms of environmental flow will Xeneca provide at Wabagishik amount of flow remaining in the river at all times?
- b) Please provide details of the mechanical/engineered design/means for providing environmental flow to the downstream?
- c) What will Xeneca be providing for environmental flow at all times?

This information is not currently available but will be part of the Environmental Report (ER.)

9. Zone of Influence:

- a) In kilometers, what would the total zone of influence be for this proposal?
- b) Could the zone of influence be felt as far as Espanola?

This information is not currently available but will be part of the Environmental Report (ER.)

10. PIC Panel 7 - "Typical Monthly Operations, Flow & Water Level Charts":

- a) Are these typical flow numbers based on real flow data reports from the Lorne Falls Dam?
- b) What years of flow data does this panel represent?
- c) Will this operating strategy be binding? If so how will this be enforced and who will be monitoring?

- d) Will Xeneca ever deviate from this operating strategy -if so, under what circumstances, and how often?
- e) What is the maximum number of times in a day this generation plant would be cycled within a 24 hour period?
- e) What will be the maximum operating plan parameters for daily water level fluctuations?
- f) Will these daily water level fluctuations be based on seasonal and/or inter-annual fluctuation that have been occurring naturally in Wabagishik Lake and the Vermilion River?
- g) Could water levels vary daily to the same extent as they vary monthly, seasonally, or annually?

This information is not currently available but will be part of the Environmental Report (ER.)

11. Actual Flow Values:

What are the 2010, 2011 and 2012 actual flow values (by actual flow meter recordings)? How much <u>actual</u> power would have been generated based on these actual flow rates -with current proposed environmental flows in each of 2010, 2011 and 2012?

This information is not currently available but will be part of the Environmental Report (ER.)

- 12. <u>Lake Level Fluctuations</u> -Xeneca states that, "Most of the time the project will follow natural lake level but there is a possibility for a small (+/-5 cm) fluctuation in the lake level to occur."
 - a) What is "most of the time" please explain why and when there will be an exception?
 - b) Is this + or 5 cm fluctuation based on mean lake level?
 - c) Under what circumstances would the lake levels fluctuate + or 5 cm?
 - d) Will there ever be any circumstances when the lake water level will fluctuate more than 5 cm in a day, and if so under what circumstances and how often?
 - e) How will lake levels on Wabagishik Lake be affected? f) What will be the maximum water level variation in one day during July, August, September and October?
 - g) Will the backwater affect exceed the natural high water mark levels?

This information is not currently available but will be part of the Environmental Report (ER.)

13. Many residents rely on Wabagishik Lake and the Vermilion River for their drinking water and other household needs – how will Xeneca's operating strategy affect water quality?

Water quality is not expected to be affected. Water quality studies have already been undertaken to establish baseline conditions and studies will be conducted through construction, post-construction and operating periods to ensure water quality is maintained.

14. <u>Panel #5</u> – Timeline – Next Steps, indicates conceptual drawings were to be completed in 2011:

a) Are they now complete?

Yes, conceptual drawings were presented at the final PIC held July 25 in Espanola. The PIC panels are available at www.xeneca.com/projects/current_projects/vermillion.html. A progress on more detailed design is completed through permitting and approvals processes, artist renderings and further detail on design will be made available.

b) If so, why were they not available for us to see at this PIC?

Please see answer to 14.a) above.

- 15. <u>Public Health and Safety</u> -how will Xeneca protect the public from the frequent and extreme flow velocity and water level changes on:
 - a) Ice stability problems -making river crossings and ice fishing safe for the public,
 - b) Downstream recreation -swimming, fishing, canoeing, etc.,
 - c) Water quality degradation from water held in holding pond with solar exposure for hours and/or days,
 - d) Upstream wastewater effluent discharge -how will that increase water quality problems within the holding pond, and
 - e) Dam failure.

Significant work has been undertaken to understand how operations may affect ice, recreational activities, water quality and a host of other issues. These will be available in the Environmental Report. Operating plans fully take into consideration the recreational uses on the river system and Xeneca has committed to ensuring navigability both up and downstream of the site, and, if required, will provide portage access around the facility. Commitment in the ER to ensure minimum water levels downstream of the site will also ensure recreational interests will be protected.

With respect to water quality and changes to thermal regimes, as noted at the Wabagishik PIC in Espanola, the proposed operating regime for the facility ensures that all water entering the holding pond area will be released within 24 hours. The short storage period, along with the fact that most storage occurs in the evening hours when solar warming is not a factor, leads to the conclusion that water quality and temperature will not be adversely affected by operation of the Wabagishik GS.

Upstream effluent discharge is not controlled by Xeneca. Any such discharges and potentially negative effects associated with these discharges are not expected to be exacerbated by the Wabagishik GS.

- 16. <u>Potential Impacts</u>: What are the potential impacts from the pulsing of extreme changes in river flow velocity and water levels on:
 - a) Public health and safety,
 - b) Ice Stability,
 - c) Snowmobile Bridge,
 - d) Erosion,
 - e) Sedimentation,
 - f) Habitat,
 - g) Fish species,
 - h) Water quality, and
 - i) Water quantity?

This information will be part of the Environmental Report (ER.)

- 17. Fish Mitigation Measures:
 - a) Will Xeneca be <u>compensating</u> for or <u>mitigating</u> endangered species and habitat destruction?
 - b) Will fish passage be provided for Lake Sturgeon and other fish species to pass into Wabagishik Lake?
 - c) How will fish populations be protected and maintained?

The NRSI report (which has been promised to the Ontario Rivers Alliance) will answer these questions.

18. What are baseline mercury levels in fish tissue, and what is the projected rise in fish tissue levels within the next 5 to 10 years from your operation?

The NRSI report (which has been promised to the Ontario Rivers Alliance) will answer these questions. In short, the report provides the baseline fish tissue results available to date, but that aspect of the project is ongoing and further results can be made available at a later date.

19. Would these proposals be economically feasible or viable with Q80, or 80% exceedance flows, as MNR recommends?

This information is not currently available but will be part of the Environmental Report (ER.)

23. Since the Vermilion River Watershed has been the drain for over 100 years of mining in the Sudbury area, will Xeneca study the contents of the silt in the bottom of Wabagishik Lake to determine what contaminants will be stirred up with the constant pulsing action of your hydroelectric dam operations?

This information is not currently available but will be part of the Environmental Report (ER.)

20. How many and what types of permanent jobs would this proposal provide?

It is expected that, aside from significant jobs associated with construction and procurement of equipment, one to two permanent jobs will be created in addition to ongoing temporary work associated with maintenance and plant upgrades.

21. Will Xeneca make up-front provisions for future dam decommissioning?

Given the expected significant lifespan of hydro assets (many existing facilities have been producing reliable renewable energy for more than a century) and the continued advancement of engineering and ecological science, it is not particularly prudent to predict the details of potential decommissioning. We will comply with the standards of the day (e.g. Canadian Dam Association) should decommissioning become necessary. Should decommissioning occur, advance planning would include dedication of revenues to a decommissioning fund.

22. Has Xeneca received an extension on the FIT Contract? If so, what are the additional requirements/conditions that must be met?

Xeneca has applied for and received an extension on its commissioning date for the Wabagishik GS. Requirements/conditions can be found on the OPA website (www.powerauthority.on.ca).

23. Has Xeneca received Site Release on this proposal? If not, why?

Site release is part of the Ministry of Natural Resources' approval process that is regulated under the Lands and Rivers Improvement Act (LRIA.) Site release is therefore not a required part of the Class Environmental Assessment process related to waterpower development. The Class EA precedes the Approvals and Permits required under the LRIA. Site Release will be required in order to secure land tenure on Crown Land. At this time, Xeneca does not have Site Release for this site.

24. How far will Xeneca go to build hydro projects -is maximizing energy output a priority over the environmental, ecological impacts and public health and safety?

Xeneca acknowledges, supports, and meets or exceeds all regulatory requirements regarding environment and public health and safety.

25. If not, why is Xeneca offering environmental flows that are way below Q 80 -or 80% exceedance values -which is MNR's recommendation for environmental flows that are adequate to protect riverine ecosystem health?

Xeneca's proposal for environmental flows is designed to assure that ecological integrity and social and economic interests are not unduly compromised. Xeneca will work with and arrive at consensus with regulatory agencies to determine the appropriate downstream flow regimes.

Misleading Panels:

1. Panel #7 – "Typical Monthly Operations, Flow & Water Level Charts"

This Panel made it appear as though the illustrated graphs represented the typical flows and resulting levels of generation that would be generated over the period of one year on the Wabagishik Rapids proposal. At the meeting, Mark Holmes informed me these flows were averaged over 100 years, so they are obviously not typical of today or of the future. With climate change upon us flows have been extremely low for the last 4 years and getting lower each year, so this level of power generation would not have been possible. Xeneca must show this same chart using the last 5 years of flow data to determine the viability of this proposal, and project into the next 40 years based on climate change being a real consideration. This Panel gave the strong impression of what would typically be generated at this site. Nowhere was it stated on this panel that these figures were based on a 100 year average of flow data.

Thank you for your comments.

2. Panel #13 – "Stakeholder Engagement" -Xeneca made mention: "Gross Revenue Charge -Xeneca is working with municipalities to help them get their fair share."

This gave the impression that Xeneca is trying to get municipalities a fair share of the Gross Revenue Charge (GRC), when the Minister of Finance's office confirmed months ago that no GRC would be forthcoming to municipalities, either now or in the future.

Xeneca has met with the Ministry of Finance on more than one occasion to express concern that the municipal portion of the GRC is no longer be transferred for any new waterpower project. Xeneca supports the position of most municipalities that the municipal portion of the GRC should be restored and/or increased. Xeneca has urged municipal participation in the lobbying effort.

Very best regards,

Mark Holmes

Vice President, Corporate Affairs

mholmes@xeneca.com

From:

Stephanie Hodsoll

To:

Kai Markvorsen, Muriel Kim

Subject:

FW: WABAGISHIK PIC - 25 JULY 2012 - VRS COMMENTS & QUESTIONS

Date:
Attachments:

January-29-13 4:43:43 PM

Response to Questions from 2012-08-03-VRStoXeneca-25July2012PIC 10jan13.pdf

Just want to make sure you also have this recent correspondence with the VRS & Linda Heron. Steph

Stephanie Hodsoll

Stakeholder Relations Xeneca Power Development 5255 Yonge St., Suite 1200 North York, ON M2N 6P4 (416) 590-3077

From: Linda Heron

Sent: Friday, January 11, 2013 12:31 PM

To: Stephanie Hodsoll

Subject: RE: WABAGISHIK PIC - 25 JULY 2012 - VRS COMMENTS & QUESTIONS

Thank you for this information Stephanie! It is a relief to have some more time to respond to other pressing issues.

All the best,

Linda

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: Friday, January 11, 2013 11:22 AM

To: Linda Heron

Subject: RE: WABAGISHIK PIC - 25 JULY 2012 - VRS COMMENTS & QUESTIONS

January 11, 2013

Hi Linda, as I mentioned, the rest of your questions will be answered in the ER. We expect the Wabagishik ER to be released to you and the VRS within 30-60 days.

We currently anticipate that three ERs will be released within the next few months – Wabagishik, Marter & Big Eddy. We will keep you posted as dates get confirmed.

Thanks, Steph

Stephanie Hodsoll

Stakeholder Relations Xeneca Power Development 5255 Yonge St., Suite 1200 North York, ON M2N 6P4 (416) 590-3077

From: Linda Heron

Sent: Thursday, January 10, 2013 5:16 PM

To: Stephanie Hodsoll

Subject: RE: WABAGISHIK PIC - 25 JULY 2012 - VRS COMMENTS & QUESTIONS

Thank you Stephanie! Still many questions not answered. When will the Environmental Report for Wabagishik be submitted for public comment? Do you plan to release several ERs at once - if so which ones?

Linda

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: Thursday, January 10, 2013 4:38 PM

To: Linda Heron

Cc: Glenn Thibeault, MP, NDP; France Gelinas, NDP MPP; Jacques Barbeau, Councillor; Carolyn Hunt - Environmental Group; Chief Steven Miller - Atikameksheng Anishnawbek; Christian Naponse, Atikameksheng Anishnawbek; Chief Myles Tyson, Wahnapitae First Nation; Peter Recollet, Wahnapitae First Nation; Chief Shining Turtle, Franklin Paibomsai - WRFN; Art Jacko, Economic Development Officer, WRFN; Kelly.Eggers@dfo-mpo.gc.ca; Wayne Selinger, MNR Espanola; Bob Robinson - MNR; Bruce Richard, MNR Sudbury; Cramm, Ellen (ENE); Mark Holmes; aschiedel@nrsi.on.ca
Subject: RE: WABAGISHIK PIC - 25 JULY 2012 - VRS COMMENTS & QUESTIONS

January 10, 2013

Hi Linda,

Happy New Year!

Thanks once again for your patience as we worked to answer your questions from the July 25 PIC. We appreciate your understanding that Xeneca's current focus is submission of Environmental Reports, which ultimately will help better inform you, your organization and the stakeholder community as a whole.

You will find attached the answers to some of your questions. Information that is not yet available will be available as part of the Environmental Report.

Have a nice afternoon and we'll be in touch soon.

Cheers, Steph

Stephanie Hodsoll

Stakeholder Relations Xeneca Power Development 5255 Yonge St., Suite 1200 North York, ON M2N 6P4 (416) 590-3077

From: Linda Heron in

Sent: Friday, August 03, 2012 1:03 PM To: Stephanie Hodsoll; Mark Holmes

Cc: Glenn Thibeault, MP, NDP; France Gelinas, NDP MPP; Jacques Barbeau, Councillor; Carolyn Hunt -

Environmental Group; Chief Steven Miller - Atikameksheng Anishnawbek; Christian Naponse,

Atikameksheng Anishnawbek; Chief Myles Tyson, Wahnapitae First Nation; Peter Recollet, Wahnapitae First Nation; Chief Shining Turtle, Franklin Paibomsai - WRFN; Art Jacko, Economic Development Officer, WRFN; Kelly.Eggers@dfo-mpo.gc.ca; Wayne Selinger, MNR Espanola; Bob Robinson - MNR; Bruce

Richard, MNR Sudbury; 'Cramm, Ellen (ENE)' **Subject:** WABAGISHIK PIC - 25 JULY 2012 - VRS COMMENTS & QUESTIONS

Importance: High

Please find attached Vermilion River Stewardship's questions and comments with regard to your 25 July 2012 PIC for Wabagishik Rapids. I look forward to your response!

Linda Heron Chair, Vermilion River Stewardship VermilionRiverStewards.ca

"Community Supporting a Healthy, Natural and Sustainable River System"

Vale

Vanesa Enskaitis

From:

Mark Holmes

ent:

Friday, November 12, 2010 12:05 PM

l'o: Cc: Hunt, Carolyn (Sudbury); Vanesa Enskaitis; Ed Laratta

Subject:

Gereghty, Al (Sudbury) RE: Waterpower EAs

Categories:

Community

Carolyn:

Thanks for the e-mail. We will get the request materials to you as soon as possible. We are well aware of the intake facility and it presence is definitely represented in development planning. Operational regimes are still be determined but we hope to have something to you in the first few months of 2011.

You have been added to our contact/distribution lists.

In the meantime, we are still awaiting response from Al regarding a non disclosure agreement and we'd like to set up a meeting in the near term to begin discussions on how our respective companies will move forward in a mutually beneficial means.

Very best regards,

Mark Holmes
ice President
Corporate Affairs
Xeneca Power Development

5160 Yonge St. North York M2N 619

416-590-9362 416-590-9955 (fax) 416-705-4283 (cell)

mholmes@xeneca.com

www.xeneca.com

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From: Hunt, Carolyn (Sudbury)
Sent: November 12, 2010 11:30 AM
To: Vanesa Enskaitis; Ed Laratta

Jc: Mark Holmes; Gereghty, Al (Sudbury)

Subject: Waterpower EAs

Good Morning,

Could you please place me on the mailing list for all proposed Waterpower Projects on the Spanish and Vermilion Rivers? Thanks!

I would like to receive specific information regarding the EA for the Cascades Falls Facility and how it's design and operation will take into account the facility's location immediately upstream of the intake for Vale's Vermilion Water Treatment Plant (VWTP) which, besides supplying process water for Vale's Copper Cliff Complex Operations, supplies municipal drinking water for the communities of Creighton, Lively, Naughton, Whitefish Lake First Nation and Copper Cliff.

I am very much interested in learning how Xeneca proposes to conduct its operations without impacting the quantity or quality of the VWTP raw water supply. In addition to potential concerns over our process water needs, your project has been identified as a concern in our VWTP Drinking Water Quality Management System (QMS) risk assessment as prepared under Ontario's Safe Drinking Water Act. Please appreciate that Vale is required to manage considerable potential liabilities associated with the supply of municipal drinking water in post-Walkerton Ontario.

Also, I am interested in knowing if the Ministry of Natural Resources has indicated to Xeneca at what point its facilities will become a part of the WMP process?

Al Gereghty (copied) remains Vale's official contact with Xeneca. However, as indicated previously to Vanessa, I am the environmental staff person tasked with the preparation of the Spanish and Vermilion River Water Management Plan `VMP) and the maintenance of the VWTP QMS.

Regards, Carolyn Hunt			
Carolyn Hunt Sr. Specialist, Enviro	on m ent		
Vale Sustainability (Envir 337 Power Street, C T. internalia	opper Cliff, Ontario	erations, Nickel POM 1NO Canada	

From:

Vanesa Enskaitis

?ent:

Wednesday, February 23, 2011 2:08 PM

o: Subject: Stephanie Hodsoll FW: Follow Up

Categories:

Logged, Public

From: Arnold Chan

Sent: Friday, February 18, 2011 3:32 PM

To: Gereghty, Al (Sudbury)

Cc: Patrick Gillette
Subject: Follow Up

Thanks Al. Much appreciated. Enjoy your week off!

Best, Arnold

From: Gereghty, Al (Sudbury)

Sent: Friday, February 18, 2011 3:28 PM

To: Arnold Chan Subject: RE: Follow Up

Hello Amold,

I am away next week but I'll call you in early March to further discuss the options and set up any required meetings.

Thanks, AL

From: Arnold Chan [mailto:achan@xeneca.com]
Sent: Tuesday, February 15, 2011 7:03 PM

To: Basso, Elizabeth M. (Sudbury)

Cc: Mazey, Edward (Sudbury); Gereghty, Al (Sudbury)

Subject: Follow Up

Hi Becky:

Just following up to see if there are any questions/concerns/thoughts regarding our earlier email. We wanted to answer any questions or concerns and see whether we can line up a process to move the discussions forward.

Let me know when you can.

Thanks!

_:st, Arnold

From:

Stephanie Hodsoli

nt:

Friday, March 18, 2011 10:22 AM

Cc:

Subject:

Proposed waterpower project on the Vermilion River (Wabaqishik Rapids)

Attachments:

Letter to Ed Mazey - March 18.doc

Categories:

Logged, Public

March 18, 2011

Good morning Mr. Mazey,

By way of introduction, Xeneca Limited Partnership is the holder of a Feed-in-Tariff contract from the Ontario Power Authority for the potential waterpower development of the Wabagishik Rapids site on the Vermillon River located in proximity to your business interests located in the Sudbury area.

As a responsible developer of renewable energy (waterpower) Xeneca is contacting you to, first and foremost, inform you of our intentions to develop the above note site(s) and to invite you to:

- (a) Submit any questions, comments or observations directly to Stephanie Hodsoll from Xeneca at shodsoll@xeneca.com.
- (b) Attend our public information centre at the Espanola Recreation Centre from 4 to 8 p.m. on March 22, 2011.

Xeneca's Intention is to work with local businesses as it is our company policy — to the greatest extent possible — ocure locally the goods and services required to develop our projects. Average cost to build waterpower in Ontario is million per MW, about half of which is spent locally where good and services are available. In addition, through royalties and taxes waterpower provides a significant return to taxpayers of approximately \$5 million per MW over a 40 year period.

Further Xeneca wishes to avoid any negative impacts to business, and, where possible enhance business opportunities.

If you have questions or concerns about Xeneca and/or our projects, please do not hesitate to contact Mark Holmes, Vice President Corporate Affairs, as follows:

Mark Holmes
Vice President
Corporate Affairs
Xeneca Power Development
mholmes@xeneca.com
416-590-9362 (office)
416-705-4283 (cell)

Please distribute this email and attached letter as appropriate.

Thank you!

urs truly,

From:

Stephanie Hodsoll

Sent:

Monday, March 21, 2011 11:28 AM

To:

Subject:

Wadagishik bidiogis

Attachments:

image001.jpg

Categories:

Logged, Public

March 21, 2011

Hi Carolyn,

Nice to chat earlier. I spoke to Rob Steele from NRSI (Sorry, I got confused about OEL-Hydrosys), who is our biologist for Wabagishik. He is more than happy to speak to you over the phone about the studies.

His contact info is below.



Robert J. Steele, 8.5c.
Senior Aquatic Biologist
Natural Resource Solutions Inc.
225 Labrador Drive, Unit 1
Waterloo, CN, N2K 4M8

(p) 519.725.2227

(f) 519.725.2575

(c) 519.577.1503

(e) rsteele@nrsi.on.ca

www.nrsi.on.ca

Please let me know if you need anything else. Thanks again for the call this morning and for letting us know about the Vermilion River Stewardship presentation.

Cheers, Steph

Stephanie Hodsoli
Public Affairs Liaison
Xeneca Power Development
5160 Yonge St., Suite 520
North York, ON M2N 6L9
T: 416-590-9362 X 112
F: 416-590-9955

www.xeneca.com

i m:

Gereghty, Al (Sudbury)

Sent:

Monday, March 21, 2011 9:12 AM

To:

Stephanie Hodsoll

Cc:

Subject:

RE: Proposed waterpower project on the Vermilion River (Wabagishik Rapids) Hunt, Carolyn (Sudbury)

Follow Up Flag: Flag Status:

Follow up Flagged

Categories:

Logged, Public

Thank you for the invitation to the public information session tomorrow. Unfortunately I am unable to attend this session Hello Stephanie, but I am interested in attending your next session as indicated in Mr. Holme's letter. Please let me know when this second

Carolyn Hunt, Senior Specialist Environment, is interested in talking to you about fish studies, water mangement plans and low water protocols on the Vermillion River. Carolyn has also participated in meetings for other stakeholders on the Vermillion River. She will be calling you soon.

Please keep us informed of all future information sessions.

Thank you.

Al Gereghty

From: Stephanie Hodsoll [mailto:SHodsoll@xeneca.com]

Sent: Friday, March 18, 2011 10:21 AM

Subject: Proposed waterpower project on the Vermillon River (Wabagishik Rapids) To: Gereghty, Al (Sudbury)

March 18, 2011

Good morning Mr. Gereghty,

By way of Introduction, Xeneca Limited Partnership is the holder of a Feed-in-Tariff contract from the Ontario Power Authority for the potential waterpower development of the Wabagishik Rapids site on the Vermilion River located in proximity to your business interests located in the Sudbury area.

As a responsible developer of renewable energy (waterpower) Xeneca is contacting you to, first and foremost, inform you of our intentions to develop the above note site(s) and to invite you to:

- (a) Submit any questions, comments or observations directly to Stephanie Hodsoll from Xeneca at
- (b) Attend our public information centre at the Espanola Recreation Centre from 4 to 8 p.m. on March 22, 2011.

Xeneca's intention is to work with local businesses as it is our company policy — to the greatest extent possible -procure locally the goods and services required to develop our projects. Average cost to build waterpower in Ontario is \$5 million per MW, about half of which is spent locally where good and services are available. In addition, through

royalties and taxes waterpower provides a significant return to taxpayers of approximately \$5 million per MW over a 40 year period.

Further Xeneca wishes to avoid any negative impacts to business, and, where possible enhance business opportunities.

If you have questions or concerns about Xeneca and/or our projects, please do not hesitate to contact Mark Holmes, Vice President Corporate Affairs, as follows:

Mark Holmes
Vice President
Corporate Affairs
Xeneca Power Development
mholmes@xeneca.com
416-590-9362 (office)
416-705-4283 (cell)

Please distribute this email and attached letter to your colleagues as appropriate.

Thank you!

Yours truly, Steph

Stephanie Hodsoli Public Affairs Liaison Xeneca Power Development 5160 Yonge St., Suite 520 North York, ON M2N 6L9 T: 416-590-9362 X 112

F: 416-590-9955 www.xeneca.com



April 11, 2011

Mark Holmes
Vice President
Corporate Affairs
Xeneca Power Development Inc.
5160 Yonge St., Suite 520
Toronto, ON
M2N 6L9

RECEIVED

Dear Mr. Holmes.

We are writing to you in respect to your proposal for developing a hydroelectric generating facility at Wabagishik Falls on the Vermillion River.

VALE owns and operates a Generating Station at Lorne Falls on the Vermillion River, immediately upstream from your proposed development. Wabagishik Lake is the tail pond for this plant.

We note the following which are important concerns for us;

- 1. VALE is not listed in the report posted on your website as being an Industrial Stakeholder. Since any change in tail water level at our Lorne Falls plant can impact and reduce our output, we believe we should be listed as a stake-holder.
- 2. We are particularly concerned that you have shown the normal operating level proposed for Wabagishik Lake as 205.00m. The normal tail water level at our plant has been measured as being in the range of 204.40 to 204.50 referred to Canadian Geodetic Datum. The minimum level at the discharge from the plant is 204.20. Given that there will likely be some hydraulic gradient in the lake, your proposed operating level of 205.00 is unacceptable. Under no circumstances will we consent to a development at Wabagishik Falls that will have an effect of raising the elevation of Wabagishik Lake at the VALE plant tail water over the full range of anticipated flows.
- 3. We are concerned that the Stage-Discharge characteristics of the new spillways should closely model the existing natural stage-discharge curve.
- 4. We will require assurance that the flow capacity of the proposed spillways will be sufficient to pass the Inflow Design Flood (as defined in the Draft CDA Guidelines) without flooding the powerhouse operating floor level of the existing Lorne Falls plant.
- 5. The report mentions that it is proposed to operate the Wabagishik Falls plant in "Modified Peaking" mode. This heightens our concern regarding changes to our tail water elevations on a daily cycle. You should state clearly the operating bandwidth for modified peaking.

Please be sure to keep the undersigned and Mr. Al Gereghty matters relating the Class EA you are presently conducting.

informed on all

Sincerely,

Jim Eddy General Manager, Energy

North Atlantic

Vale

18 Rink Street

Copper Cliff, ON POM 1NO

cc: Ed Mazey, Rob Platford

From:

Vanesa Enskaitis

Sent:

Tuesday, April 26, 2011 2:39 PM

o:

Stephanie Hodsoll

Subject: Attachments: FW: Vale 11Apr11 Ltr re Wabageshik

Importance:

High

Categories:

Logged, Public

From: Patrick Gillette

Sent: Tuesday, April 26, 2011 11:20 AM

To:

Cc: edv

10: jimieddy@vale.com

Laratta; Vanesa Enskaitis

Subject:

Importance: High

Hi Jim:

In response to you attached letter and subsequent telephone conversations.

Based on the technical knowledge we have we do not believe there will be an impact on your tailrace at Lorne Fails from the Wabageshik project. As discussed, we are happy to exchange information and enter into a dialogue on that topic. Nava Pokharel (copied on this email) under the direction of Uwe Roeper will organize this information exchange.

Mark Holmes; Uwe Roeper; Arnold Chan; Nava Pokharel; Ed

Your letter and concerns will be logged and reflected in the Class EA Report. Mark Holmes (copied on this email) will ensure this occurs.

I would suggest we enter into discussions on merging our operation plan into the current Water Management Planning process for the Vermillion River. I will work with Nava and Uwe on this issue. This will ensure the Lorne Falls tailrace issue is addressed on the regulatory side.

As discussed I believe there are several positive synergies that can be discussed:

- Organizing plant operations so lake levels are optimized satisfying recreational users and cottagers and so both
 parties can optimize daily power production during high demand periods. For Xeneca as per the FIT contract
 optimal production occurs during the week from 11 am 7 pm Monday to Friday.
- Exploring the option of routing electricity to Lorne Falls for a "Behind the Meter" connection that would be contingent on OPA approval.
- Operation and Maintenance issues.
- Support of Vale expansion plans; e.g., exchange of environmental and technical information.

I would suggest we organize a meeting with Vale to discuss these issues and the other Xeneca sites on the Vermillion River at the earliest opportunity. Arnold Chan from my office will follow-up. Unfortunately, Uwe will be working during the Thursday evening with the MNR and cannot meet this week in Sudbury for dinner.

ank you for your kind consideration and please call me at anytime with follow-up issues.

Best regards,

Patrick

Patrick W. Gillette BA, MES, MPA President and COO 5160 Yonge Street Suite 520 North York, Ontario, Canada M2N 6L9

Tel: 416-590-9362 Cell: 416-697-4004 Fax: 416-590-9955

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From:

Vanesa Enskaitis

Sent:

Monday, May 09, 2011 9:50 AM

To:

Subject:

FW: Meeting with Xeneca Power Development re Lands Issues

Categories:

Logged, Public

From: Arnold Chan

Sent: Friday, May 06, 2011 5:55 PM

To: Gereghty, Al (Sudbury)

Subject: Meeting with Xeneca Power Development re Lands Issues Cc: Patrick Gillette; Nava Pokharel

Thanks for teeing up today's teleconference with Nava to talk about some of the water management issues near the Wabageshik Rapids site on the Vermillion River with Nava Pokharel.

As mentioned, I was hoping that we could have your assistance in teeing up a meeting with folks to address our lands issues for the other Vermillion River projects (At Soo Crossing, Cascade Fall and McPherson Fall) which are further astream. As you will recall, these projects all have potential impacts on Vale lands and we would like to pursue a alogue with your company to come to a solution that obtains your company's consent will allowing these projects to move forward. If you could arrange such a meeting during the month of May, we would be very appreciative.

As mentioned by Patrick, we are trying to see if the Chief of Sagamok First Nations can meet us next Wednesday. If this is too tight, we are likely going to arrange a meeting later in the month to accommodate the Chief's schedule (he is apparently going into some minor surgery next weekend). So, we would likely arranging something at the end of May or at the end of the first week in June. Would dates in that area work for Vale?

Let me know at your kind convenience!

Have a great weekend.

Kind regards, Arnold

> Arnold G. Chan Xeneca Power Development Inc. Vice-President, Legal Affairs 5160 Yonge Street, Suite 520 Toronto, Ontario M2N 6L9 Tel: (416) 590-9362, ext. 115

Fax: (416) 590-9955 achan@xeneca.com

From:

Nava Pokharel

Sent:

Wednesday, May 18, 2011 3:00 PM

To:

Stephanie Hodsoll

Cc:

Mark Holmes; Vanesa Enskaitis

Subject:

FW: Summary of Meeting - May 6, 2011

Attachments:

Xeneca Meeting May 6, 2011.doc

Categories:

Public, Logged

Steph,

Please file the attached meeting notes . Vale is one of our major stakeholder for the four Wabageshik Projects.

This meeting notes is mainly focused on the Vale's existing GS located at the upstream end of Wabageshik Lake.

Thanks,

Nava

From: Gereghty, Al (Sudbury)

Sent: Wednesday, May 11, 2011 4:02 PM

To: Nava Pokharel

Cc: Eddy, Jim (Sudbury); Koltun, Brian (Sudbury); Hunt, Carolyn (Sudbury); Harvey Walsh; Arnold Chan; Uwe Roeper;

pgillette@xeneca.com:; Mark Holmes

Subject: Summary of Meeting - May 6, 2011

Attached please find a summary of our meeting on May 6, 2011.

<< Xeneca Meeting May 6, 2011.doc>>

Thanks.

AL

From:

Arnold Chan

int:

Monday, May 23, 2011 11:29 PM

10:

Patrick Gillette

Cc:

Stephanie Hodsoll; Vanesa Enskaitis; Judy Leavitt

Subject:

Vale Inco Powerpoint Presentation

Attachments:

Vale Meeting re Lands Issues May 24 2011.pptx; Agenda for Meeting with Vale and Xeneca

may 2011.docx

Categories:

Public, Logged

Patrick:

Here is agenda and powerpoint presentation (modified from your version with maps inserted) for tomorrow's meeting with Vale Inco.

/agc

Arnold G. Chan

Xeneca Power Development Inc.
"ce-President, Legal Affairs
_160 Yonge Street, Suite 520
Toronto, Ontario M2N 6L9
Tel: (416) 590-9362, ext. 115

Fax: (416) 590-9955 <u>achan@xeneca.com</u> www.xeneca.com

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November 10, 2011

Mr. Jim Eddy General Manager, Energy North Atlantic Vale 18 Rink St. Copper Cliff, ON POM 1NO

Jim:

Our apologies for the delay in responding, but, as you can appreciate, our staff have been extremely busy, and many of the questions you have posed have or will require significant research in order to provide adequate answers.

Xeneca is aware of Vale's generating station at Lorne Falls, and we wish to ensure that at no time during development or operation of our projects will there be negative impact on your facilities.

With respect to your first question/observation, Vale is listed as an industrial stakeholder in our correspondence logs and lists, and will be listed as such in all future documents.

Regarding operating levels proposed for our Wabagishik GS, Xeneca engineers are working closely with Vale's Al Gereghty on this issue. Al has provided us some bathymetry survey information around the Lorne Falls GS Tailrace area; however, the information was not sufficient to incorporate in the HEC RAS model. Xeneca is sending a bathymetry survey crew for a detailed bathymetry survey around the tailrace of the GS and downstream channel that connects to Wabagishik Lake. The work is planned for November 15th and has been coordinated with Al. A water level logger will also be installed in the tailrace area of the Lorne GS.

On the question of state discharge characteristics, the spillway capacity of the Wabagishik project is designed to be larger than the natural capacity of the Wabagishik Lake outlet. In other words, in the design process Xeneca will make sure the spillway capacity of the project Wabagishik Rapid GS will be big enough so that the flow from the Wabagishik Lake will not be restricted, especially in the extreme flood and high flow conditions.

Finally, to address the concern raised over modified peaking operation, Xeneca proposes the normal operation level at 205 m and maximum fluctuation of the headpond at 10 cm. Therefore, bandwidth of the Wabagishik GS operation is 204.90 – 205 m, which should not adversely impact the lake or Vale's facility at Lorne Falls. As noted above, the bathymetry survey work around the tailrace of the Lorne Falls GS will help to precisely confirm impacts.

Jim, thanks again for your patience and we look forward to working with Vale as we proceed through development of the Wabagishik project.

If you have questions or comments please do not hesitate to contact me at any of the numbers listed in the signature line below.

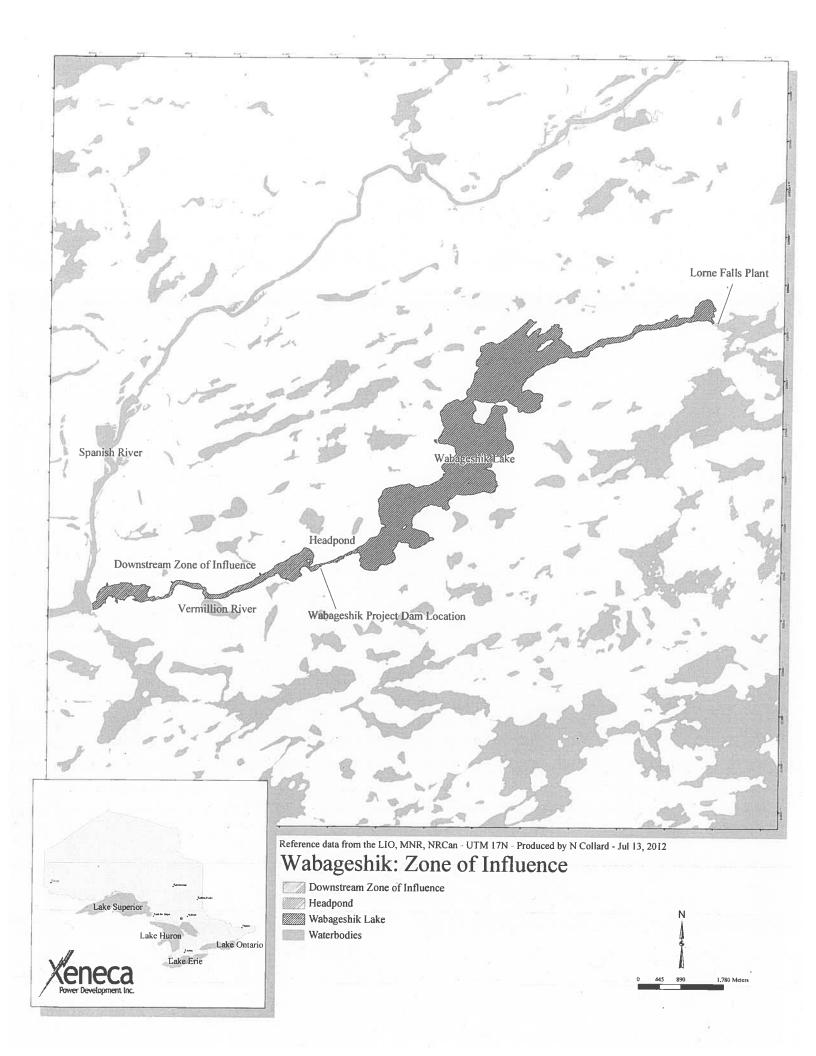
Best regards,

Mark Holmes

Vice President, Corporate Affairs Xeneca Power Development 5255 Yonge St., Suite 1200 North York, ON M2N 6L9 416-590-9362

647-588-9707 (cell)

mholmes@xeneca.com



20120719 Wabagishik Rapids - Zone of Influence

From: Stephanie Hodsoll <SHodsoll@xeneca.com>

Sent: July-19-12 4:19 PM To: Stephanie Hodsoll

Subject: Wabagishik Rapids - Zone of Influence

Attachments: 2012Jull3WabzOIMapUpdate2.pdf

July 19, 2012

Dear stakeholders,

Further to the Upcoming Public Information Centre (PIC) on July 25 at Espanola Recreation Centre for the Proposed Wabagishik Rapids Hydropower Project

Xeneca would like to confirm that Wabagishik Lake is within the Zone of Influence for this project. The headpond created at the weir could extend into Wabagishik Lake. Most of the time the project will follow natural lake level but there is a possibility for a small (+/- 5 cm) fluctuation in the lake level to occur.

Please see the attached map with more details on the full extent of the Zone of Influence for this project.

This map will also be on display at the PIC on July 25 in Espanola.

We would be pleased to answer any questions you have at that time.

For more details about the PIC, please visit http://www.xeneca.com/home/Latest%20Updates/updates.html

Again, we hope to see you at the PIC!

Cheers, Steph

Stephanie Hodsoll Stakeholder Relations Xeneca Power Development 5255 Yonge St., Suite 1200 North York, ON M2N 6P4 (416) 590-3077