

Appendix C
Agency Consultation

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Meeting Information

Subject/Title:	Big Eddy Pre-Screening Meeting		
Date/Time:	February 6, 2009 10:00am -2:00pm	Location:	Pembroke District - Boardroom
Agenda	See attachment		

Meeting Participants

Chair:	Mike Radford
Attendees:	Joanna Samson – Water Resources Coordinator, MNR Tim Lee – Southern Region Engineering Unit, MNR Peterborough Tania Baker –Biologist, MNR Pembroke Amy Cameron – Planning Ecologist, MNR Pembroke Jamie Riley –Lands Intern, MNR Pembroke Tom Giesler – Senior Lands and Water Technician, MNR Pembroke Jim Beal – S. Region Renewable Energy Coordinator JP Gladn – Aboriginal Strategy Group Ken McWatters – Resource Liaison Specialist Paul Holmes – Hatch Energy Jim Law – Hatch Energy Mark Holmes – Vice President of Corporate Affairs and Project Coordinator, Xeneca Scott Manser - Ortech Nadiya Bogush – Ortech Patrick Gillette - Xeneca
Regrets:	Nick Paroschy - MNR Engineer
Notes Taken By:	Amy Cameron

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Item No.	Discussion Points/ Issues Raised/ Decisions Made	Action Items	Responsible	Due Date
1)	Introductions			
2)	Jim Beal – update on the state of affairs of Southern Ontario water power.			

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<p>3)</p>	<p>Site Description Package</p> <p>Expressed willingness to work with MNR to identify issues that MNR may have with the proposed project Company will present options they are looking at and will provide more definitive concept plan during the WSS</p> <p>MNR's requirements may change as the concept changes</p> <p>Reiteration of important points</p> <ol style="list-style-type: none"> 1. Endangered Species Act 2007 – Provincially listed species at risk turtles are known to be in the vicinity, and such features need to be considered when sighting structures 2. Species at Risk Act 2003 – Federally listed Species at Risk may need to be considered. 3. Fisheries Act to address Lake Sturgeon at this point in time. MNR recognizes Lake Sturgeon movement patterns as an information gap, but MNR does know sturgeon are able to migrate from the Ottawa, through the Petawawa system to upstream lakes. Therefore barriers would present a serious concern for migration. 4. Fish passage is a major concern. If measures are in place to protect Lake Sturgeon – other species such as American Eel and River Redhorse will also be protected. 5. MNR does not have the resources or staffing to help with these field projects, but staff will provide information as needed. 	<p>Be aware that COSSARO could elevate the status of Lake Sturgeon from Special Concern to Threatened or even Endangered. This potential change in status would result in implications under the ESA 2007.</p> <p>Contact Environment Canada to determine implications under SARA 2003.</p> <p>Contact DFO and Tim Haxton (MNR) for expertise on lake sturgeon, technical guidance, etc.</p> <p>Contact CFB Petawawa to ask for information that they have regarding fish populations, etc.</p>	<p>Proponent</p> <p>Proponent</p> <p>Proponent</p>	<p>Ongoing</p> <p>Prior to submission of WSS to MNR</p> <p>Prior to submission of WSS to MNR</p>
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<p>3)con't</p>	<p>6. Municipal Shore Road Allowance is fronting many of the properties and may present a limiting factor in the options chosen. It was indicated by Mark Holmes that there is a meeting later today that will look at this issue.</p> <p>7. Recreational Kayaking is major activity – club that offers lessons and used in spring and summer/fall (when suitable).</p> <p>Tom Giesler noted Correction in Site Description Package: Under <i>Mining Claims</i> section, 75ha should be changed to 21 ha</p>			
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<p>4)</p>	<p>Conceptual Development Approach (handout provided by Jim Law)</p> <ul style="list-style-type: none"> - Bid Eddy site is made up of 4 sets of rapids; 3 of these are downstream of the road - Initial application is shown in Figure 2 of handout that shows one large site, but issues have become apparent and a second concept is being considered to construct 3 or 4 smaller sites - Power house just upstream of Petawawa Blvd and want to capture Rapid 1 <ol style="list-style-type: none"> 1. Rapid 1: ~3.5 MW potential. This is the most important part of the project 2. Rapids 2: ~2.5 MW 3. Rapid 3: only 1m and the cost of tying this with the other sites may be cost prohibitive 4. Rapid 4: ~2.5 MW. This is another small facility that would be similar to the others and the flows would be similar and could work as a cascade as oppose to taking the water and trying to link the two sets of rapids - MNR confirmed that using the second concept (multiple sites) instead of the first concept (single site) should not present an issue in the disposition process. - Proponent indicated that there is some concern on the stability of the bank. It is sand and frequently sloughs off - Proponent indicated that there is very little if any storage at this site, so the focus is to shunt water from the first site directly to the second, instead of moving through the rapids. LIDAR is required to look at excavation, etc. and determine feasibility of building the tunnel. 	<p>Conference call to discuss concepts</p>	<p>Tim (Nick Paroschy), Jim and Patrick</p>	<p>Prior to submission of WSS</p>
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<p>MNR cannot approve projects that affect Federal land. The proponent indicated that to date; only portions of the concepts have been presented to CFB Petawawa. They continue to work with the Base Environmental Officer, but it is a slow process because of security issues.</p> <p>The proponent reiterated that the final design concept has not been drawn because they need input from the public, MNR, etc. in order to determine how to best balance environmental and economic concerns, which will play a role in refining the concept. MNR agreed that they would accept and review multiple concepts as part of the WSS submission, but cautioned the proponents that a level of detail would be required to satisfy the needs of the WSS.</p> <p>MNRNoted: purpose of WSS is to award proponent AR status. MNR is willing to allow multiple concepts to be provided but the concepts must entail more detail so that MNR can make the decision on AR status</p> <p>There is a need to further discuss the conceptual plans prior to submission of the WSS to MNR.</p>	<p>Ensure the CEAA process and other Federal statutes are being followed as required</p> <p>As part of the WSS submission multiple concepts will be presented in a level of detail that would be satisfactory to MNR. Proponent to include a “preferred option” with the WSS submission.</p>	<p>Proponent</p> <p>Proponent</p>	<p>Prior to submission of WSS</p> <p>To be included in the WSS</p>

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<p>5)</p>	<p>Waterpower Site Strategy (WSS) Part of WSS is the initial stakeholder consultation, conceptual design, etc. The proponent intends to inform the public, but their method has not yet been decided.</p> <p>MNR emphasized that the Big Eddy application was accepted with the understanding that there would be no dam/weir. This decision was made because private land cannot be flooded without permission of the landowners since some landowners own the shoreline road allowance and those fronted by a municipal road allowance have riparian rights.</p> <p>The proponent indicated that they may require an arrangement with the landowners to allow a weir or dam to be constructed. MNR again emphasized that a permit will not be issued if the landowners are not in agreement. The proponent indicated they are trying to avoid the weir option. MNR also cautioned the proponent that different design options may have different MNR requirements and designing a plan with a weir may send them back to the beginning of the application process.</p> <p>Proponent expressed concern about the LIDAR being delayed, but it will be done when snow clears from the area. MNR indicated that if the proponent requires an extension to submit the WSS due to a delay in completing the LIDAR, the proponent is to submit a letter to the District Manager indicating the need for an extension on the 120 day timeline.</p>	<p>Submit declaration within 30 days</p> <p>If more time is required, proponent to write letter to District Manager, Paul Moreau, to request extension for WSS submission because LIDAR information cannot be collected until April/ May. Paul will consider and respond to the request.</p>	<p>Proponent</p>	<p>Monday March 9, 2009</p>
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<p>6)</p>	<p>WSS</p> <p>The proponent has 30 days to sign and submit the declaration and another 120 days to submit WSS.</p> <p>Public consultation – policy indicates minimum as an advertisement, but a written agreement between Patrick and Joanna was that all riparian owners from upstream of the Big Eddy Site (HWY 17) to the Ottawa River would be contacted individually at this stage.</p> <p>MNR will need to see information within the WSS how the proponent will be dealing with public concerns. MNR suggested that proponents provide information to prevent misinformation from being widely circulated. MNR will review and issue AR status, AR status with conditions or no AR status.</p> <p>Riparian landowners have been identified by the proponents. The best method of contacting the landowners will be decided later. MNR recommended that proponent provide proof of contact (i.e. registered mail, etc.)</p>	<p>Contact affected riparian landowners and provide proof of contact</p>	<p>Proponent</p>	<p>Prior to submission of WSS</p>
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<p>7)</p>	<p>First Nations Consultation</p> <p>Notice was sent to Jp2G stating that there was an application received for a water power project</p> <p>Algonquins are in negotiation for a comprehensive land claim in this area, which means they do not have a treaty.</p> <ul style="list-style-type: none"> - Process involves a one window approach through "Jp2G" - Algonquins are well aware of the project and are upset with federal government for not following process for due dialogue and not being notified of the lease that was signed with the Federal Government. - Proponent's Federal water power coordinator needs to be on the same page as the province since the Algonquins do not differentiate between provincial and federal land. <p>Algonquins do not have a veto, so MNR is ultimately responsible for making decisions</p> <p>Jp2G is going to want to see details, including the WSS. Sharing information will prove beneficial.</p> <p>Proponent is familiar with Aboriginal consultation process</p> <p>Algonquin have trained interns and one resides at the local reserve. This intern may be available for hire.</p>	<p>Ken to forward names of communities to JP and contacts.</p> <p>JP to work closely with Ken McWatters, this will help MNR to ensure that Aboriginal consultation is meaningful.</p> <p>Ken to provide name of a local Algonquin intern that may be available for hire.</p> <p>Any questions JP has regarding values will be forwarded to Ken.</p>	<p>Ken</p> <p>JP and Ken</p> <p>Ken</p> <p>JP</p>	<p>ASAP</p> <p>ongoing</p> <p>ASAP</p> <p>ongoing</p>
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<p>Algonquins are extremely busy at this time so the sooner the Algonquins are consulted the better. The Algonquins may request a private meeting with or without Ken.</p> <p>Office for Jp2G is located in Pembroke</p>	<p>When the WSS is provided to MNR a copy should also be provide to the Algonquins through JP2G. Also, provide JP2G with a heads up of any notice prior to being advertised in the newspaper.</p>	<p>Proponent</p>	<p>As required</p>
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Other Business Notes

- Proponent has 30 days to submit the signed Declaration form to MNR indicating the proponent's willingness to pursue the Big Eddy project

Next Meeting

<p>Date:</p>	<p>TBD</p>
<p>Location:</p>	

MINUTES OF PHASE 1 - MNR TELECONFERENCE MEETING
Xeneca Power Development Inc.
Pembroke District MNR
Petawawa River Hydropower Development Project(s)

Date: Thursday, March 4, 2010 @ 09:00

Meeting Location: Teleconference Call

Prepared By: TJS

Attendees:

MNR, Pembroke District Office
 Joanna Samson, Water Resource Coordinator (JS)
 Tania Baker, Biologist (TB)
 Mike Radford, Area Supervisor (MR)
 Tom Giesler, Lands and Waters (TG)
 Ken McWatters, First Nation and Aboriginal Liaison Officer (KM)

Department of Fisheries and Oceans
 Mark Ferguson, Habitat Biologist, Prescott Office (MF)

Ontario Resource Management Group
 Kristi Beatty, Biologist (KB)

Natural Resource Solutions Inc. (NRSI):
 Rob Steele, Natural Heritage Assessment Coordinator (RS)

OEL-HydroSys Inc. (OEL):
 Tami Sugarman, EA Coordinator (TS)

Copies to: Ed Laratta and Don Chubbuck, Xeneca Power Development Inc.

Attachments Information Package Items (attached)

The following Meeting Minutes were recorded by Tami Sugarman of OEL. The notes reflect the understanding of discussions held at the meeting and the interpretations or recollections of those present.

Agenda Item	Description	Action by
	ITEM DESCRIPTION	
1.1	<p>General Points: (TS) – Explained the Consulting Team responsibilities for the Petawawa projects: OEL-HydroSys Inc. – EA planning coordinator NRSI – Natural Heritage Assessments Coordinator for Xeneca projects across Central and Eastern Ontario to ensure consistency in the approach. ORMG – Lead on the biological assessment work</p> <p>(JS) - The MNR requests a one-window approach with respect to the entire development process to ensure that transferred information is communicated to the appropriate parties and is filed correctly and efficiently. The main contact at the Pembroke District office will be Joanna Samson, Water Resource Coordinator. MNR requests that Xeneca inform MNR of their main contact.</p> <p>(TS) – For the EA process I am the Xeneca contact. I have no involvement in the Site Release process, that is being handled by Xeneca directly.</p> <p>(JS) – Reiterated that one contact for the entire development process is preferred.</p>	(TS) will bring this request forward to Xeneca
1.2	<p>Big Eddy Site</p> <p>(JS) – Applicant of Record has not been awarded for this site. There are two issues to consider in regards to these proceedings;</p> <ol style="list-style-type: none"> 1. First Nation (Algonquins of Ontario) concerns with land 2. Riparian landowner agreements associated with the proposed inundation areas. <p>MNR strongly cautions about proceeding to EA step without AoR status. It was established that the project team is aware that Xeneca does not yet have Applicant of Record status for the site and recognized that in moving forward the proponent is assuming some level of risk however that the tight timelines established in the Green Energy Act makes the 2010 spring sampling season a crucial one.</p> <p><u>First Nation</u></p> <p>(KM) - Algonquins of Ontario – recently have expressed that they do not want to be in direct contact with proponent. MNR acknowledges that this is in line with the legal advice given by the Xeneca lawyers. All notices and information for the Algonquins of Ontario should go through the MNR (KM). The Algonquins of Ontario will advise MNR</p>	(TS) will discuss this item with Xeneca.

	<p>when/if they wish to meet with the proponent.</p> <p>(KM) – The concepts of “run-of river’ and “weir” or “dam” are not consistent with the definition that the Algonquins of Ontario have. Any proposed flooding of land by way of a dam or weir may be viewed as a potential loss of traditional land that may have cultural significance to them. They will require archaeological assessments for these flooded areas. MNR cannot ask for an archaeological assessment from the proponents at this early stage (Site Release) but would recommend that Xeneca consider conducting a Stage I archaeological assessment (desktop review) for each site within the Algonquin Land Claim Area. The Algonquins will want to know how this was done. This may be taken as a show of good faith by the Algonquins of Ontario that their concerns will be addressed by the proponent and also notes the concern that the Algonquins have that many things happen too fast after Applicant of Record status is awarded. This can only assist in building a good relationship and may help the Site Release process to move forward.</p> <p>(JS) and (KM) – MNR has been and will continue to encourage the Algonquins of Ontario to recognize that Applicant of Record status is only a right to proceed with the Environmental Assessment. A of R allows the project proposal to conduct the studies that would assist in facilitating consultation with the Algonquins if the MNR determines that the project has potential to proceed.</p> <p><u>Riparian Land Agreements and WSS</u></p> <p>(JS) and (TG) – WSS document was submitted in Sept 2009 and is currently under review. The design option presented (weir with inundation areas) was different than proposed in earlier consultation meetings with MNR; this has led to confusion and delays. Information was asked of Xeneca prior to the review of the WSS by MNR. One item in particular is still outstanding, however, MNR agreed to review the WSS. Comments on WSS will be issued soon.</p> <p>Based on the review of the WSS to date, MNR requests clarification on the water level (138 m) used in the inundation mapping – what is it based on? Was it the summer (LIDAR) level? The spring high water level? The 100 year flood level? Details on the hydrological modeling methodology and assumptions used are required from Xeneca (Hatch). Without this additional information MNR cannot determine if the inundation area shown is the worst case scenario. The concern is that the extent of flooding has been underestimated.</p> <p>Once the inundation area (worst case) is clear MNR will require land</p>	<p>(RS) and (TS) to get clarification on the level used.</p> <p>Xeneca to provide more details on the hydrologic model in order to support the maximum</p>
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	<p>survey information for each parcel inundated and land title registry documentation to determine riparian ownership for each parcel.</p> <p>MNR understands that Xeneca has an agreement with one major private landowner but requires the schedule for that agreement to confirm that the land involved is owned in right in Ontario. This has been communicated to Xeneca and Xeneca has responded that they will deliver the information once the FIT contract has been awarded. Once the extent of inundated lands, their ownership and all agreements are transparent and-, MNR will be in a better position to proceed with Site Release. This information is pending from Xeneca.</p> <p>(TB) – First concern - the design option (true run-of-river, no weir structure) discussed at meetings with the proponent last year and which the MNR comments on natural heritage issues identified for the Big Eddy site by MNR (TB) were not included in the WSS. With the addition of the weir to the design concept the following issues are identified;</p> <ul style="list-style-type: none"> • Fish passage for migratory species (American Eel, Sturgeon) – access to significant life-cycle habitats and natural stream channels upstream of project site. • Alterations to spawning areas impacts need to be assessed • Access for pike into upstream areas a concern for the existing and much prized Muskie population • Extrapolation of Big Eddy data on habitat must be made to Half Mile site as well. MNR has no jurisdiction in terms of land at the Half Mile site but it is located on the same waterway and is subject to cumulative effects assessment for migratory species. . MNR is still the fisheries manager and is still responsible for issuing fish collections permits and determining if they meet the fishery management objectives for the Petawawa River <p>A general overview of the components in the scope of studies that would require early spring field work include;</p> <ul style="list-style-type: none"> • Fish community sampling and spawning surveys in spring freshet (mid-April until early June) for walleye, muskie, lake sturgeon, pike, river redhorse, catfish) • ESA - American Eel is documented in the Ottawa River and there is a Recovery Strategy for this river that must be considered on all tributaries of which the Petawawa River is one. • (MF) any proposed turbine/dam structures must be compliant for eel, sturgeon; ladders, turbines, etc. <p>A draft scoping document should be submitted by ORMG for review by agencies. Because there may be other components that require investigation, DFO and MNR request a face-to-face meeting to discuss and agree to scope for the biological assessments. Xeneca</p>	<p>extent of the inundation area</p> <p>Xeneca to provide MNR with schedules of the agreement (s) with all impacted riparian landowner(s).</p>
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	<p>would like to wait until a FIT contract has been awarded before proceeding with a face-to-face spring assessment scoping meeting. A collector's permit can be issued in 2-3 days once the scope is settled.</p> <p><u>The inundation area issue mentioned above needs to be settled so that a correct determination of scope can be made.</u></p>	
<p>1.3</p>	<p>Half Mile Site</p> <ul style="list-style-type: none"> • Priority permit has been issued under the <i>Dominion Waters Power Act</i> by INAC. • DND base environmental officer (Michelle Perry), DFO, Xeneca, ORTECH and ORMG teleconference on May 21, 2009. MNR provided DFO with identified fisheries issues to take to discuss on this call. • On June 11, 2009 a meeting was held between DND, DFO, ORMG and Xeneca. • MNR issued collector's permit for the studies planned in this meeting for 2009 field season. The field work was not undertaken. • DND has completed many SAR related studies on the base and are satisfied with existing studies and have stated that no additional studies are required. • DFO has none of the DND studies on file • DFO will determine if they are in agreement with DND after a complete review of the file information and in consultation with MNR and DND. Cumulative impacts of the two projects must be determined, should they both move ahead. • The Red Chris case ruling at Supreme Court will impact the scoping for this study. The scoping will be broadly based. • Special study to request are the 2006, 2007 and 2008 turtle surveys • DFO (MF) has requested a face-to-face meeting with DND (Michelle Perry), ORMG (KB) and MNR (TB). • ORMG cautioned that complete reports may not be released by DND, however, sections of reports (i.e. hard data) revealing key findings for key issues (i.e. species specific) can be shared by DND. <p>(TS) – asked if a Federal EA screening has been formally initiated for the Half Mile site? (MF) – DFO is not aware of a formal screening and suggests that DND being the landowner would be the FEAC for the Screening. DFO, INAC and TC would most likely be RAs. DFO has not received any scoping requests from DND for Half Mile to date.</p> <p>(JS) – Xeneca and all agencies and departments involved should be aware that there is a Consultation Protocol Agreement signed between the Algonquins of Ontario and governments of Canada and Ontario as represented by the Federal Minister of Indian and Northern Affairs and the Ontario Minister of Aboriginal Affairs) that addresses the engagement of the Algonquins of Ontario</p>	<p>TS to contact DND (Michelle Perry)</p> <p>(TS) will ask Xeneca for the history of engagemen</p>

	<p>Representatives (Algonquin Negotiation Representatives – ANRs) in development and disposition proposals. This “Consultation Process Interim Measures Agreement” must be honoured.</p> <p>(JS) and (KM) – Did Xeneca consult with the Algonquins of Ontario (Jim Hunton at Jp2g Consultants) at any point in the early period of consultation for the Half Mile site?</p>	<p>nt with the ANRs.</p>
<p>1.4</p>	<p>Summary</p> <ol style="list-style-type: none"> 1. There is missing information required for both sites in order to determine the impacted area at Big Eddy and specific information gaps at both sites. 2. The scoping for the EAs (OWA Class EA for Big Eddy and Federal Screening EA for Half Mile) are at a stalemate until the face-to-face meetings are undertaken. 3. Michelle Perry input is required for the Half Mile meeting. MNR should also be present. 4. First Nation (Algonquins of Ontario) issues – essential to address for both the Site Release and the EA processes. 	

MINUTES OF Biological Habitat Assessment Requirements MEETING

Half Mile and Big Eddy Hydroelectric Projects

Date: Friday, April 23, 2010 @ 10:00

Meeting Location: MNR Pembroke District Office

Prepared By: Karen Fortin

Attendees:	<p>MNR Pembroke District:</p> <ul style="list-style-type: none"> • Lauren Trute, SAR Biologist • Tania Baker, Area Biologist <p>ORMG</p> <ul style="list-style-type: none"> • Kristi Beatty, Biologist • Bruce Wheaton, CEO <p>OEL HydroSys</p> <ul style="list-style-type: none"> • Karen Fortin, Environmental Approvals <p>Regrets</p> <ul style="list-style-type: none"> • Mark Ferguson, Fisheries and Oceans Canada • Michelle Perry, DND
Attachments	

The following Meeting Minutes were recorded by Karen Fortin of OEL-HydroSys. The notes reflect the understanding of discussions held at the meeting. Based on comments received from the draft distribution, these minutes have been adopted and are considered accurate.

Item	Item Description	Action by
1.0	<p>Introduction and Existing Studies</p> <p>Purpose of meeting was to discuss existing fisheries and species at risk information and additional studies required for the Half Mile and Big Eddy sites towards meeting agency permitting requirements and the completion of the environmental assessments.</p> <p>ORMG (KB) said that the unexpected absence of Fisheries and Oceans Canada was a concern because input from DFO was key towards planning the upcoming field season investigations.</p> <p>ORMG provided literature summaries of available investigations and</p>	

	<p>reports to meeting participants. A general discussion regarding fisheries report contents followed.</p> <p>MNR (TB) has raw data for the study completed by Trent University which may prove beneficial.</p> <p>ORMB (KB) stated that the proponent's goal was to have all field investigations completed in 2010. MNR (TB) indicated that this timeline seemed overly optimistic given the complexities of the proposed undertakings and site specific issues. OEL (KF) added that owing to the way that the recent FIT contracts were negotiated, waterpower proponents were on an accelerated timeline to meet their FIT contract obligations and that as a result, many proponents are limited to this year for the completion of field investigations to ensure the timely completion of the environmental assessment process for project approvals in time for the accelerated commissioning deadlines.</p>	<p>MNR to forward Trent study raw data to ORMG (completed April 30, 2010)</p>
<p>2.0</p>	<p>Species at Risk</p> <p>ORMG (KB) reported that field investigations are underway, most recently night surveys for walleye had been completed, to date none have been observed this season in the Petawawa River. MNR (TB) replied that some areas were more variable to temperature changes and walleye may simply not have arrived or that owing to the unusual spring, they may have already completed their spawning. She added that additional studies may be required next year if it was determined that missing the early part of the spring spawn resulted in information gaps that could not be filled through extrapolation or with available information.</p> <p>ORMG (KB) stated SAR surveys are needed but the firm's approach to the terrestrial surveys will be to not capture or handle any of the species observed, eliminating the requirement for a scientific collectors permit and an ESA permit for terrestrial investigations. KB added that the firm has filed a request for a SAR permit for aquatic assessment work. She added that a significant amount of species at risk investigations had already been completed in the Half Mile area. MNR (LT) responded that they have the ESA permit application for the fisheries studies and will begin processing it, and that it would likely take 4-6 weeks for the issuance of the permit.</p> <p>MNR (LT) stated that ORMG should be sure to target the turtle nesting season for all areas impacted by the proposed works, particularly areas of proposed flooding upstream, the footprints of the conveyance channel, powerhouse and dams and for all areas where flows will be altered downstream. She added that the collection of photographs and GPS coordinates of any species at risk was the best method of documenting their presence.</p> <p>MNR reported that there is a record of a wood turtle in the lower Petawawa River but that they are presently investigating this account and will forward their findings to ORMG. LT suggested that ORMG focus SAR search efforts on areas that may be subject to flooding. MNR (TB) added that any habitat that may be altered by changes in the flow regime by the proposed undertakings also needed to be examined, including the lower lying areas upstream of Big Eddy.</p>	<p>MNR to investigate wood turtle record and advise ORMG</p>

	<p>Other SAR that may potentially occur in the project area include:</p> <ul style="list-style-type: none"> Whip-poor-will Common nighthawk Canada warbler Least bittern Golden-winged warbler Olive sided flycatcher Lake sturgeon American eel River redhorse Western chorus frog (unlikely) Wood turtle Blanding's turtle Eastern wolf <p>It was also reported that several dragonfly species potentially occurring in the project area may be added to SAR when the list is revised in the fall of this year. A species list of rare dragonflies species documented along the Petawawa is available through the Ministry.</p> <p>ORMG (KB) requested that the Ministry provide guidance for the River redhorse for identification protocols. ORMG would prefer documenting the fish through detailed photographic records than through species collection. LT responded that she will look into the preferred method and advise ORMG.</p> <p>It was agreed that Lake sturgeon was known to be present at both sites. It was stated by the Ministry that it is likely that there is Lake sturgeon spawning habitat in the vicinity of the Half Mile site. MNR reported that a permit under the Endangered Species Act would likely be required for either proposed project. A question about jurisdiction over SAR on federal land was raised. MNR reported that the management of fish and wildlife populations is a provincial mandate and that the Ministry may have jurisdiction over the species present at Half Mile from a fish and wildlife management standpoint. Further clarification about which species at risk legislation ultimately applies to each site (ESA or SARA) needs to be determined. It was added that Lake sturgeon was soon to be included in the SARA. MNR (LT) stated that any negative impact to a species at risk would require that the proponent demonstrate a total overall benefit of the undertaking for each impacted SAR. The Ministry advised that if the proponent could not prove an overall benefit for each SAR that the project could negatively impact, then an ESA permit would likely not be granted. Failure to receive an ESA permit could prevent the project from proceeding to the implementation / construction phases.</p> <p>A discussion about fish passage followed; it was stated by the Ministry that a passage for American eel would be a definite requirement for any proposed water control structures on the Petawawa. It was reported by the Ministry that there are as of yet no proven fish passage designs for Lake Sturgeon. MNR (TB) commented that it will likely be necessary to redesign the proposal to ensure that natural passage of Lake sturgeon is preserved.</p>	<p>MRN to advise ORMG on River redhorse ID protocols</p>
<p>3.0</p>	<p>Habitat assessment</p>	

<p>MNR (TB) stated that the proponent's initial area of inundation mapping was incomplete and that some of the data used to determine potential flooding zones was perhaps inaccurate. It was discussed that unless the proponent was able to provide more accurate proposed inundation mapping for each site the only approach to assessing potentially impacted habitat would have to be the assumption of a worst case scenario which could significantly increase the size of the habitat that needed to be studied. MNR (TB) stated that this is the only way to ensure that sufficient information is collected to fully scope the impacts of all the development scenarios the proponent has chosen to explore for both locations. She added that if the proposals were focused on scenarios without dams (using only water bypass designs) the study requirements could be reduced.</p> <p>MNR (TB) advised that any area that may be affected by disturbance (both directly and indirectly) needed to be assessed, including the area surrounding the proposed water conveyance structure, shorelines where a water control structure may abut, transmission corridor, access roads, etc. ORMG was advised to map and describe all terrestrial and aquatic habitats.</p> <p>MNR (TB) said that she had had a discussion with DFO in advance of the meeting and that the consensus was that detailed habitat assessment would be crucial for these projects. TB added that because the proponent would essentially be blocking access to the Petawawa by proposing the construction of a water control structure that the potential area of impact was everything upstream of the Big Eddy site. MNR is also concerned about the loss of fish passage to habitat areas above the Half Mile site. Sturgeon are known to reach Algonquin Park waters through this reach, making it a potentially important migration route to additional habitat areas important to the sturgeon population. It was discussed that a water control structure at Big Eddy could affect two watersheds, several lakes and tributaries. It was added that that area of impact could potentially extend into Algonquin Park. TB stated that the habitat assessment investigation would have to determine how much habitat may become inaccessible to fish because of the proposed dams. ORMG was advised to assume that all species present at the confluence of the Ottawa and Petawawa would be travelling upstream in the Petawawa. MNR is also concerned about the loss of fish passage for other species, as the viability of the recreational fisheries of Black Bay and Lac du Bois Dur (e.g. walleye) and likely dependant on their connection to the Ottawa River. MNR (TB) added that it is unlikely that all critical habitats that the walleye need to maintain a viable population exist upstream of Big Eddy.</p> <p>MNR agreed that ORMG could complete habitat assessment through a combination of field investigation and through extrapolation. If a habitat was determined to be suitable for a specific species, the assumption should be made that the species uses it. MNR (TB) added that it was important to identify spawning and nursing habitats in the project area. It was suggested that ORMG target different types of potential aquatic habitats and conduct some fisheries investigations in these areas. (MNR) TB stated that it was important to understand the movement of fish between the Ottawa and Petawawa systems. TB added that Lake sturgeon is known to move between both systems and a dam at Big Eddy would effectively prevent that movement. MNR added this population was one of</p>	<p>Proponent to provide more detailed mapping for proposed inundation at each site.</p> <p>ORMG to schedule an appointment to access Ministry files.</p>
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	<p>the few remaining healthy population of Lake Sturgeon. MNR (TB) specified that assessing the cumulative impacts of building two waterpower projects on the Petawawa River would have to be addressed in each environmental assessment. It was noted by the Ministry that public opposition to damming the waterway would be vocal.</p> <p>A discussion about available bathymetric information followed, MNR is not certain whether they have any bathymetry for the Petawawa (ORMG can access any existing data at Ministry office).</p>	<p>ORMG to investigate whether Lidar data collected can be used for bathymetry</p>
4.0	Meeting was adjourned at 12:15	

Record issued May 10 -2010

Meeting Minutes

XENECA Water Power Projects

Date and Time: July 29, 2010 **From** 3:00pm to 4:30pm

Venue: CEAA Boardroom #312
55 St. Clair Avenue East
Toronto ON M4T 1M2

Attendees:

Federal Departments:

- 1) Amy Liu, Project Manager, Canadian Environmental Assessment Agency (CEAA), Ontario Region
- 2) Manirul Islam, Assistant Environmental Assessment Officer, CEAA, Ontario Region
- 3) Derrick Moggy, Habitat Team Leader, Fisheries and Oceans Canada (DFO), Northern Ontario District (Teleconference)

Provincial Ministries:

- 4) Vicki Mitchell, EA Coordinator, Ministry of Environment, Kingston, Ontario (Teleconference)
- 5) Nisha Shirali, A/District Planner, Ministry of Natural Resources (MNR) Pembroke District (Teleconference)
- 6) Paul Moreau, District Manager, MNR, Pembroke District (Teleconference)
- 7) Karen Handford, Planning and Information Management Supervisor, MNR, Pembroke District (Teleconference)
- 8) Gillianne Marshal, Planning Intern, MNR, Pembroke District (Teleconference)

Proponent (Xeneca Power Development Inc.):

- 9) Mark Holmes, Vice President Corporate Affairs
- 10) Edmond Laratta, Manager of Environmental Affairs

Discussion

- Amy Liu welcomed all attendees and discussed in brief about the purpose of this meeting
- Mark Holmes presented a brief overview of the current organizational structure of Xeneca Power Development Inc. (Xeneca), their experiences with water power projects, natural resources, environmental affairs, and communication with different stakeholders such as governments, community organizations and aboriginal groups. Mark mentioned the status of the proposed projects submitted (draft notice of commencements and project overviews) to the provincial and federal agencies.

August 19, 2010

- Edmond Laratta indicated that Xeneca is collecting field data/information and is planning to submit the project descriptions of most of the proposed projects by the end of August or at the beginning of September 2010.
- Xeneca was awarded FIT contracts for 19 proposed projects with a total installed capacity of 72 MW. As per the contracts they will have a total of five years to complete the EA and post-EA approval process, procurement of equipment, construction and commissioning of works for all the proposed projects. He mentioned that the proposed projects need to move quickly to meet the contract deadlines. Xeneca planned to complete environmental assessment (EA) in 18 months for managed waterways and 24 months for unmanaged water ways, 12 months to acquire permits and 24 months for construction work, testing and commissioning. . Xeneca's FIT contract requirement and schedule is to generate power by April 30, 2015. Mark mentioned that most of their proposed projects are small and would be constructed in the managed waterways.
- Mark Holmes also presented the importance of renewable energy, current federal and provincial policies to promote water power projects and advantages of water power over the other renewable energy projects (such as wind energy). Most of the power generated from the projects would be transmitted to the local communities in order to reduce the transmission cost, federal policies encouraged the generation of renewable energy in-order to cut the greenhouse gas (GHG) emission. He also mentioned that in addition to the reduction of GHG emission, the water power project will enhance employment and local economic activities at the project sites.
- Mark Holmes mentioned they are now currently working on engaging and consulting with the aboriginal people related to the proposed projects. Xeneca is planning to group Aboriginal consultation efforts based on river system rather than on each individual proposed project. Xeneca is currently negotiating with Aboriginal groups to form Memorandums of Understanding and potential co-proponencies.

Canadian Environmental Assessment Agency:

- Amy Liu – presented a brief overview of the *Canadian Environmental Assessment Act* and the federal EA process.
- Amy Liu asserted the importance of complete project description to facilitate the identification of EA triggers, responsible authorities, federal authorities, determining the type of EA for the proposed project, scope and determining the FEAC.
- After the proponent submits a complete project description, CEAA will distribute it to federal authorities for a 30 day review period. Within this time, the federal authorities will indicate their role and interest in the proposed project to the CEAA and then CEAA will convene a start-up meeting with the interested federal authorities.

Fisheries and Oceans Canada (DFO):

- Derrick Moggy will be sending a letter to Xeneca indicating the appropriate DFO contacts for the proposed waterpower projects and how the proposed projects would be grouped
- Derrick mentioned the importance of receiving a complete project description in order to determine which issues to focus on in the EA.
- Derrick inquired about the interest the proponent would have in conducting the EA and regulatory processes together. It would save time which is specifically important for the projects under the tight deadlines; however, more detailed information would be required to facilitate the combined EA process.
- Derrick suggested that the combined EA and regulatory process be listed as an agenda item at the start-up/coordination meetings.
- Xeneca indicated interest and would call Derrick to discuss possibilities of a combined EA process further.
- Xeneca mentioned that detailed information on the proposed projects is planned to be ready in January to March 2011.

Ministry of Environment (MOE):

- Vicki from MOE briefly described the provincial EA process. There is an elevation mechanism at the end of the provincial process. The proponent is required to contact each provincial ministry that may have an interest in the proposed projects.

Next Steps

- Xeneca will send project descriptions for most of the proposed waterpower projects to agencies at the end of August or beginning of September 2010.
- Xeneca will call agencies to set up coordination meetings.
- Xeneca will contact Derrick to discuss the process and procedures for conducting the EA and regulatory processes simultaneously..

MINUTES OF EA COORDINATION MEETING

Half Mile Rapids and Big Eddy Hydroelectric Projects

Date: Tuesday, January 18th, 2011, 10:00

Meeting Location: MNR Pembroke District Office in Pembroke, Ontario and via Teleconference Call

Prepared By: Karen Fortin

Attendees:

MNR Pembroke District:

- Joanna Samson, Water Resources Coordinator (JS)
- Trevor Griffin, District Manager (A) (TG)
- Ken McWatters, Resource Liaison Specialist (KM)
- Lauren Trute, Species at Risk Biologist (LT)
- Gillianne Marshall, Planning Intern
- Tom Giesler, Senior Lands and Water Tech (TG)
- Amy Cameron, Planning Ecologist (AC) (afternoon)
- Tania Baker, Area Biologist (afternoon) (TB)
- Karen Handford, PIM Supervisor (afternoon)
- Henry Haemel, Southern Region Sr. Project Engineer (HH) (afternoon)

Ontario Parks

- Brad Steinberg, Algonquin Park Management Biologist (BS)

Fisheries and Oceans Canada

- Mark Scott, Fish Habitat Biologist (MS)

Department of National Defence

- Michelle Perry, Base Environment Officer (MP)

Ontario Ministry of Transportation

- Alain Nadeau, Regional Coordinator, Operational Services (AN)

Town of Petawawa

- Karen Cronier, Planning Technician (KC)

County of Renfrew

- Nathan Kuiack, Public Works Technician

Via Teleconference

Ministry of the Environment

- Vicki Mitchell, Environmental/EA Coordinator (VM)
- Laura Manning (LM)

Ministry of Energy and Infrastructure

- Helen Kwan, Senior Project Advisor REFO (HK)

INAC

- Brian Grey, Senior Officer, DWPA (BG)
- Christopher Morton, Water Resources Analyst (CM)

Transport Canada

- Lisa McDonald, Environmental Officer (LM)

Natural Resources Canada

- Caitlin Scott, Junior Policy Analyst (CS)

Environment Canada

- Mike Shaw, Environmental Assessment Officer (MSh)

	<p>Parks Canada</p> <ul style="list-style-type: none"> • Karen Blackbourn, Archaeological Resource Management Analyst (KB) <p>Canadian Environmental Assessment Agency</p> <ul style="list-style-type: none"> • Amy Liu, Project Manager (AL) <p>Canadian Transportation Agency</p> <ul style="list-style-type: none"> • John Woodward, Senior Environmental Officer (JW) <p>Xeneca Power</p> <ul style="list-style-type: none"> • Edmond Laratta (EL) • Mike Vance (MV) • Dean Assinewe, Aboriginal Relations Liaison <p>Ontario Resource Management Group</p> <ul style="list-style-type: none"> • Kristi Beatty (KB) • Bruce Wheaton (BW) <p>OEL-HydroSys Inc. (Environmental Approvals Consultants):</p> <ul style="list-style-type: none"> • Tami Sugarman, Environmental Approvals Senior Advisor • Karen Fortin, Environmental Approvals Coordinator
Regrets	Brenda Blimkie, Town of Laurentian Hills, Chairman of the Planning Committee
Attachments	Project Description Half Mile Rapids Generating Station (document issued in advance of meeting)

The following Meeting Minutes were recorded by Karen Fortin of OEL-HydroSys Inc. The notes reflect the understanding of discussions held during the meeting. Based on comments received from the Draft distribution, these minutes have been adopted and are considered accurate.

Item	Item Description	Action by
1.0	<p>Introductions</p> <p>Meeting objective (TS)</p> <ul style="list-style-type: none"> • to initiate the discussion surrounding information that has been distributed to regulators for both Half Mile Rapids and Big Eddy projects; • to identify applicable legislation and permitting requirements early in process; • to identify any gaps in data analysis; • to open dialogue (explanation that dialogue with certain ministries and agencies, i.e. MNR, DFO has already been initiated) and ensure that all agencies that must be consulted are contacted and verify the points of contact for each agency <p>Explanation of environmental assessment process for each site (TS). Half Mile will be conducted under a federal screening only because all works are to be completed on federal Crown land. Big Eddy will be screened under the provincial Class EA for Waterpower and will also be screened federally due to certain law list triggers, including the <i>Fisheries Act</i> and the <i>Navigable Water Protection Act (NWP)</i>.</p>	

<p>Under the terms of the FIT contract, the facility would be officially commissioned in April 2015, plant start-up would therefore need to be initiated late 2014 (EL). TS noted that it was key for agencies and ministries to identify any key issues or requirements early on to ensure that resolution was completed in a timely manner.</p> <p>Request to move biological data discussion to further in agenda (TS). Agenda accepted.</p> <p><u>Algonquins of Ontario Consultation Protocol</u></p> <p>Resource Liaison Officer for the Ministry of Natural Resources, Ken McWatters identified a tri-partite “Consultation Interim Measures Agreement” between the province, the federal government and the Algonquins of Ontario. He explained that the consultation process required that all information for both proposed waterpower developments on the Petawawa River be directed to the Algonquins of Ontario Consultation Office. KM advised that it is important that the proponent work with him, respecting the established protocol, failing to do so may result in delays. KM clarified that the land claim extends to both proposed project sites. KM stated that under the provincial Crown, the consultation process has yet to be formally initiated. He added that the consultation office is extremely busy with the land claim and that the proponent was strongly advised to be clear and accurate in any information provided to the Office. TS noted that certain details (i.e. final engineering design) would only be finalized after the EA; KM acknowledged this. He confirmed that the Ministry will require the proponent be at any meeting with the Consultation Office and that the MNR would be involved with all consultation until the Ministry is asked to withdraw by the Consultation Office. KM also identified that additional groups may come forward and ask to be included in the consultation process (ie. Metis and Quebec Aboriginal groups) and that Xeneca should be prepared for this.</p> <p>It was confirmed by Xeneca (EL) that the Algonquins of Ontario were provide a copy of the project description. Xeneca advised that the Stage 1 (desktop) archaeological assessment reports for both sites are expected to finalized and distributed by early February. KM advised that Algonquins are not likely to begin consultation process until Stage 1, and possibly Stage 2, assessments are complete.</p> <p>MNR (JS) clarified that it is the duty of the Crown to ensure that the Aboriginal consultation process is properly completed by the proponent and that no work permits and approvals would be issued by MNR until satisfied that the appropriate level of consultation was applied to the undertaking (Big Eddy).</p> <p>MOE (VM) noted that if a Part II Order request (bump up) is received, the MOE will examine whether the appropriate level of consultation was completed.</p> <p>INAC’s BG clarified that his office was not the point of contact for any matters related to Aboriginal consultation and that contact should be made</p>	<p>Xeneca’s Aboriginal Liaison Coordinator to contact KM for further discussion; and to provide summary of all contact with Algonquins of Ontario to date</p> <p>Xeneca to forward Stage 1 AA to Consultation Office and MNR when ready.</p> <p>OEL to contact INAC to identify federal Aboriginal consultation lead. (OEL), KM and INAC to discuss</p>
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	with INAC's Toronto office for clarification.	potential harmonization of Federal and Provincial consultation to avoid duplication of efforts.
2.0	<p>Federal Screening under the CEAA</p> <p>Michelle Perry with CFB Petawawa is the FEAC for this undertaking, because land ownership for the Half Mile project falls under the Department of National Defence. TS noted that there have been earlier discussions and meetings between key agencies for the proposed undertaking prior to this EA Coordination meeting, including DFO and MNR. TS emphasized importance of having co-operation between Xeneca and agencies in order to meet FIT schedules.</p> <p>INAC's Bryan Grey explained why the Half Mile project was subject to the <i>Dominion Water Power Act</i> (DWPA), administered by INAC's Northern Region and why Big Eddy is not. Because of the age of the legislation (1913) INAC must interpret the <i>Act</i> with flexibility for application to the environmental assessment process. The Priority Permit issued under the DWPA recognizes that the proponent is the first in line with regards to developing the site; it does not guarantee development rights. The permit is issued yearly; a renewal for the Half Mile site will be required in February 2011; INAC acknowledged that they had received a renewal request from the proponent.</p> <p>Under the DWPA an Interim Licence would be issued to the proponent by the Minister of Indian Affairs only after a successful EA outcome. The Interim Licence would cover the construction of the project. A Final Licence would be issued for the commissioning of the generating station for a period of thirty years. BG explained that INAC would approve all final engineering drawings for the waterpower project but noted that the office of the Agency does not have an engineering department (no new dams have been constructed on federal waterways since 1920). He stated that Xeneca will likely be responsible for the cost of a third party review of all engineering details. MNR (JS) would not have a role in reviewing engineering for Half Mile but may have an interest in any flooding associated with the undertaking. BG confirmed that the detailed engineering for the project will form part of the formal application for approval.</p> <p>BG noted that certain requirements for advertising will be required to be met (and paid for) by proponent subsequent to the approval of the EA, including Canada Gazette and possibly local publications. The proponent was referred to Section 4 of the DWPA for the requirements for notification, adding that their office would work with the proponent on these subsequent to the successful outcome of the EA. TS inquired whether this could be combined with NWPA Gazette requirements; LM stated that this will have to be verified with the Navigable Waters Protection group located in Sarnia, Ontario. LM added that the submission of the NWPA application for the</p>	<p>MNR engineering to confirm what if any role in project design for Half Mile.</p> <p>Xeneca to file NPWA application for the project.</p> <p>BG to provide a copy of the Canada Gazette advertising requirements to Xeneca.</p>

<p>undertaking confirm the requirement for the NWPAs as it applies to the project, and would initiate the environmental assessment of the undertaking by TC's EA office. She confirmed that a copy of the project description had been forwarded to the NWP office. LM advised the proponent to contact the NWP group to discuss the requirements for documentation needed for the NWPAs application, and to submit the application as soon as possible.</p> <p>OEL (TS) requested that all agencies identify role in undertaking, legislative and permitting requirements, and key issues which they will need to see addressed in the EA document.</p> <p>NRCan (CS) identified the agency is available to provide expert advice with respect to hydrogeology and acid rock drainage for both sites. The agency can provide other expertise on an as needed basis and prefers to answer specific questions, not provide general information.</p> <p>Parks Canada (KB) identified that it would provide expert advice for the management of any archaeological resources on federal land. OEL (KF) inquired as to the requirement for a marine archaeological assessment. KB responded that it will depend on the findings of the Stage 1 report.</p> <p>Environment Canada (MSh) advisory role, concerns centre around water quality, migratory birds, <i>Species at Risk Act</i> (clear information on which species at risk may be impacted by project) and toxics. Under Section 36(3) of the <i>Fisheries Act</i> – deleterious substances with regards to the construction of the dam, alkali leachate from the concrete will also need to be addressed. EC also expressed an interest in a discussion on air quality and climate changes as within the environmental report.</p> <p>MOE (VM) identified that the Ministry has particular concerns about the large area of shoreline inundation associated with this undertaking and its' potential to impact surface water quality. MOE also noted that the presence of any sewage outfalls and septic systems in proximity to the Petawawa River may already contribute to surface water quality concerns and a change in flow regime may further change surface water quality. MOE added that the locations of any discharges from these systems would have to be located and addressed in the environmental report. and wondered whether this was also a concern for EC. MSh replied that the potential for the introduction of methyl mercury was a concern for the agency. VM added that she will have to consult with MOE's Northern Region prior to addressing mitigation measures for the contaminant. EC confirmed they will require low level (i.e. high accuracy) analysis for methyl mercury in water. BS from Algonquin Park added that the baseline for mercury in the Petawawa River is high as a result of historic logging activities. ORMG (KB) stated that baseline water quality studies had been performed in summer 2010, but that no sediment or terrestrial contaminant sampling had been performed.</p> <p>DND (MP) added that there are additional issues with regards to water</p>	<p>Proponent to submit NWPAs application to Transport Canada</p> <p>Xeneca to provide Stage 1 to Parks Canada when completed.</p> <p>OEL to provide baseline water quality data obtained during 2010 field season to EC and MOE to identify data gaps in advance of upcoming field season.</p> <p>Further discussion will be required between MOE, EC, DND and project team to understand UXO requirements.</p> <p>DND to confirm level of clearance for construction and any field investigations.</p>
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	<p>quality and unexploded ordinances (UXO). MP explained that the military base has been present since the early 1900s, ammunition has been used on base and remains present both on land and in water. MP noted that certain additional water quality parameters may be required for baseline assessment.</p> <ul style="list-style-type: none"> • TS asked DND to clarify how the issue of UXOs would have to be addressed during construction. MP said that this has yet to be clarified but that Xeneca had been advised of the complexities involved in dealing with UXOs in the past. ORMB (KB) detailed that for all surface work a Level 1 clearance (visual) would be required; level 2 clearance extends to a depth of 12-18" and that level 3 clearance is required for any intrusive work to a depth of 3 feet, and for work in water. This work is completed by specialized sub-consultants, not by DND and that the cost would be borne by the proponent (MP). This will also be a requirement for the Big Eddy project where certain project components (i.e. power line) cross DND land. 	
<p>3.0</p>	<p>Field investigations and technical reports</p> <p>MNR (JS) inquired as to water temperature changes from waterpower projects. Xeneca (MV) clarified that these types of projects are not a significant source of heat input into waterways.</p> <p>MTO (AN) identified a bridge located at Paquette Road and Highway 17 (between Xeneca's two proposed projects on the Petawawa) and was seeking assurance that the inundation associated with the projects would not affect MTO property. Xeneca (MV) responded that the inundation upstream of Big Eddy is localized and will not exceed seasonal flooding regime. MV commented that (static) modeling for the project put the inundation at a distance approximately ½ way to the bridge site.</p> <p>It was noted that the identified inundation values cited in PDs were measured along the river and not as the crow flies; in the case of the Big Eddy site, the measurement follows the large semicircular path of the river in that area.</p>	<p>MTO to forward land survey of bridge to proponent. Xeneca legal to contact MTO for further discussion.</p> <p>Proponent to provide</p>

<p>MNR (JS) identified that the Ministry will want to see how the zone of inundation was calculated. MV identified that extensive hydraulic modelling (HECRAS) is underway and that once complete, this information (including methodology, modelling assumptions and results) will be forwarded to the agencies and ministries. EC (MSh) identified that the Agency will have an interest in changes to the flooding regime. MOE (VM) identified that the Ministry also has an interest in flow regime changes, and septic and outfall systems discharging to the waterway as changes to the flow regime may impact existing surface water quality. INAC (BG) identified that detailed hydrology is a key part of the formal application for the undertaking. TS suggested that the proponent consider providing any draft technical reports to agencies/ministries for review and that reviewers identify any concerns they may have with field investigation and technical report methodologies to the proponent once draft reports are provided.</p> <p>Discussion of the role of Health Canada. HC is not a regulatory agency, but will provide advice on an as needed basis.</p> <p>TS inquired as to whether there were any known plans for other projects in the vicinity of the Half Mile site. MTO identified future plans for 4-laning Highway 17 but that the schedule was unknown.</p> <p>Access to the project site was discussed, DND identified that the proponent was made aware of access earlier on and that the base would prefer all access to the project site be through Paquette Road. MTO confirmed that no new access to the highway would be approved.</p> <p>Brad Steinberg from Algonquin Park expressed concerns that the proposed area of inundation for Half Mile may affect the park. BS requested clarification on area of inundation, adding any flooding within the park boundary would be a show stopper. BS stated that the project description did not specify how the area of inundation had been measured. Xeneca (MV) responded that the area of inundation would extend to the rapids just downstream of the Orange Road Bridge, ending at the base of the rapid at Wiley Creek. This information will be clarified in the hydrology reports to be submitted to agencies.</p> <p>BS stated that both Lake sturgeon and American eel have been recorded in Algonquin Park and that fish passage for these SAR would be required. DFO's Mark Scott added that fish passage (for both proposed developments) was also a requirement under the federal agency and that it would fall under authorization under the Fisheries Act. BS noted that traditional knowledge suggests sturgeon spawning sites on the Petawawa River within the park.</p> <p>BS added that this section of the Petawawa within the park is a unique setting with little personal exploitation; he confirmed an Aboriginal fishery for personal consumption within the park. A brief discussion was had surrounding public use of Petawawa within DND lands.</p> <p>BS noted that a special permit for any field studies within the park would be</p>	<p>technical reports to regulators as they become available.</p> <p>Proponent to better identify access to project site on mapping.</p> <p>BS to provide ORMG with info on TK on sturgeon spawning</p> <p>OEL to verify with TC's NWP group to determine whether any sections of the Petawawa are classified as non navigable.</p> <p>All future mapping to show Algonquin Park boundaries and provide more</p>
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	<p>required and that these required 60 days to process. He added that no formal request has been issued to his office for habitat information. MNR (LT) also noted that an ESA collector's permit will be required for studies as well.</p> <p>DFO (MS) referenced a letter issued to Xeneca December 21, 2010 detailing DFO concerns and requirements for the Half Mile site (appended to minutes). MS added that DFO concerns and requirements will also be applied to the Big Eddy project. The letter lists several requirements that must be met by the proponent in order for DFO to complete their review of the undertakings, sign off on the EA, and ultimately issue a Fisheries Act authorization. Without that added information such a process cannot be completed. DFO (MS) added that detailed information on impacts or alterations to fish habitat and proposed fish passage measures will be required by the agency.</p> <p>OEL (TS) responded that a focus meeting would be scheduled with MNR/DFO/Ontario Parks once the draft operating strategy, hydrology, biology and other baseline studies were made available.</p>	<p>detailed mapping of inundation area between Half Mile and Algonquin Park.</p> <p>ORMG to file formal request for habitat information to Algonquin Park.</p>
<p>6.0</p>	<p>Project Classification under Class EA for Waterpower</p> <p>OEL (TS) requested a discussion concerning the classification of the project as being on a managed/unmanaged waterway. The project has been described in the project description as being on an unmanaged waterway but that a consensus with the regulators was required.</p> <p>Xeneca (EL) interjected that Xeneca has received direction from the OWA that the Petawawa is considered a managed watercourse and the project would proceed according to the process for new projects on a managed waterway. However, he wished to clarify that Xeneca was willing to submit the ER report for draft agency review and that Xeneca was not attempting to avoid consultation requirements.</p> <p>MNR (JS) responded that the Ministry considers the Petawawa as being an unmanaged waterway as no structure exists that regulates flows or levels on the river. MOE (VM) added that the MOE would defer to MNR District office on the classification of the waterway. Both ministries noted the heightened public scrutiny of the proposed projects, and that it would be to the advantage of the proponent to follow the more rigorous process for projects on unmanaged waterways.</p> <p>OEL (TS) clarified that the Waterpower Class EA was presently undergoing review and that waterway definitions was one of the areas being reviewed. MOE (VM) added that if Part II Order requests are received, it will be up to MOE to review whether Xeneca followed the correct process. If MOE determines that the correct process was not followed, Xeneca would need to complete the appropriate steps and this would delay the project. TS stated that given the ministry position of the Petawawa as an unmanaged waterway, OEL would confer with Xeneca and proceed with the appropriate planning process.</p>	<p>OEL and Xeneca to re-examine Petawawa River classification and to respond to MOE regarding the Notice to Inspect</p>

<p>6.0</p>	<p>Municipal and Public Concerns</p> <p>Town of Petawawa (KC) stated that there had been two public gatherings the previous evening, including a presentation made to council outlining the public concerns and objections to the proposed projects. These concerns were focused on issues of public safety, continued access to the waterway (kayaking, swimming, etc) and ecological concerns (SAR and fisheries). KC inquired if there was any information available concerning what would be undertaken to address public safety at the Big Eddy site. OEL (TS) responded that the proponent would defer to the public safety requirements under the NWPA and best management practices, and that these issues will be addressed in the EA. TS added that the NWPA may require that waterway access be restricted at structures and that consultation would be required with recreational and commercial waterway users.</p>	<p>OEL to consult with NWPA on safety issues and mitigation planning requirements</p>
<p>7.0</p>	<p>Operations, Facility Design and Private lands</p> <p>Town of Petawawa (KC) asked about changes to water levels for the Big Eddy project. OEL (TS) responded that Xeneca is developing hydrological modeling and an operating strategy through consultation with regulators which will respect environmental and socio-economic waterway uses. Xeneca (EL) clarified that the Big Eddy project would be operated as a run-of-river (ROR) facility with no peaking. <i>Note: modified peaking is proposed for the Half Mile Rapids facility.</i> MNR (HH) interjected that, while the proponent may consider the Big Eddy as ROR, the proposed construction of a weir and a small increase in upstream water level is not consistent with the definition of ROR facility. It was added that some First Nations may also disagree with Xeneca's definition of ROR.</p> <p>DFO requested clarification as to how Xeneca arrived at a gross surveyed head of 9m. MV replied that at Big Eddy, the proposed weir will increase the head by approximately 1.5m; the remaining 7.5m reflects the river profile and elevation difference between the intake and the tailrace location.</p> <p>MNR and DFO requested an explanation of the specifics of the design of the proposed facility. Xeneca (MV) clarified that the construction of the earthen weir would be for the main concrete weir abutments and that the specifications would be dependent on site conditions, and pending further analysis.</p> <p>MNR raised a concern that the proposed weir location as shown in the project description may extend onto private property and inquired if landowner agreements had been secured. Xeneca (MV) noted that he was unable to provide a conclusive answer and that he would defer the matter to Xeneca's legal division and provide an answer following the meeting. Acknowledged that land ownership agreements would be required for any potential impacts to private and municipal property. MNR (JS) noted that the Applicant of Record is contingent upon the required agreements with private landowners and the municipality.</p>	<p>Xeneca to advise MNR as to progress of landowner agreements</p>

<p>8.0</p>	<p>Xeneca's Proposed Approach to the Environmental Assessment</p> <p>OEL (TS) explained Xeneca's proposed approach to the environmental assessment of the projects and the subsequent draft environmental report (ER). The proponent will distribute the baseline information reports (including methodology and results) to agencies over the course of the next few months, and will assess the potential impacts of the project based on that data collected and agency comments. Xeneca confirmed that the issue of fish passage and water management planning will have to be adequately addressed in the draft environmental assessment. Xeneca is proposing issuing the draft environmental assessment report (ER) in June for agency review. Xeneca will then make formal commitments to conducting any additional field studies, investigations, data analysis etc to address the information gaps which will identified by regulators subsequent to their review of the baseline reports and the draft ER. TS added that Xeneca fully recognizes that this approach deviates from the typical EA planning process but noted that the proponent has selected this approach in order to meet FIT scheduling and contracting requirements.</p> <p>Most of the regulators (provincial and federal) voiced their objections to this approach, stating that the identification and mitigation of all potential impacts could not be effectively completed until all data was collected through detailed studies. It was added that once provided with the opportunity to review the baseline reports, it is very likely that additional issues/impacts would be identified by the regulators which were not assessed in the baseline information. DFO and DND and TC noted that approval under the federal process can only be given following the acceptance of the environmental assessment which must assess all aspects of the project prior to any regulatory decisions. CEAA (AL) noted that the federal scoping documents for both projects have yet to be issued (expected early March), and that all federal requirements would have to be met in the document before any federal responsible authority was able to sign off on the federal EA. MNR (LT) added that the proponent's approach will not fulfill the requirements of the <i>Endangered Species Act</i>. MNR (JS) identified that when performing public consultation, presenting an incomplete EA document would likely not be received well by public stakeholders.</p> <p>MNR, DFO and CEAA agreed that that because construction was planned to begin in late 2012, the proponent should take advantage of the 2011 field season to allow for the collection of additional data resulting in a more comprehensive document that could be issued later in 2011. Xeneca is presently proposing issuing a harmonized EA document. A request was made for a project schedule (Gantt chart) in order to facilitate discussions on scheduling. MNR (TG) advised that it is very important to follow the proper EA process and give sufficient time for review. Failure to do so could lead to a Part II order request, particularly given the level of public scrutiny. It would be in Xeneca's best interest to do as thorough a job as possible on the ER prior to releasing it as a "draft". The proponent acknowledged the risk associated with this proposed process.</p>	<p>Proponent to circulate baseline environmental reports to agencies when available.</p> <p>Xeneca to distribute project schedule for Big Eddy/Half-Mile for agency review</p>
<p>9.0</p>	<p>First Nations and Stakeholder Consultation</p> <p>OEL (TS) asked the federal agencies whether there was an opportunity to</p>	<p>Xeneca's</p>

	<p>coordinate their Aboriginal Consultation requirements with the provincial requirements allowing for more comprehensive consultation program with less duplication of effort. CEAA agreed with this approach and would attempt to coordinate the efforts of the RA's.</p> <p>OEL/Xeneca indicated that the date for the PIC for the Half Mile and Big Eddy projects has not been finalised and will likely be scheduled for late February or early March after the hydrology and initial DOP has been established for the sites. There is the potential that multiple PICs will be required to properly address public concerns regarding impacts to public access and safety, tourism and flows. MNR (JS) recommends that the proposed operating plans should be finalized prior to the PIC and presented to the public at the PIC for public review. These operating plans should be submitted to MNR for review prior to the PIC.</p>	<p>Aboriginal Resource Liaison to work with OEL to coordinate Aboriginal consultation planning requirements</p>
10.0	<p>Ministry of the Environment</p> <p>MOE (VM) has provided a written response to the NOC to Xeneca and after reviewing the Bid Eddy PD has identified their concerns as they relate to emissions to air, including noise, and inundation, including the identification of outfalls into the river and impacts to wells and septic systems nearby. OEL (TS) confirmed that the proponent was aware of these issues and will complete the necessary investigations to assess possible effects of the project. The municipality will also be contacted with regard to municipal building permits. DND added that the base has outfalls on the Petawawa. A discussion was had about provincial permits on federal land with regards to the Half Mile Rapids project. VM replied that the proponent would be encouraged to secure the same provincial permits for those laws of general application, for example Permits to Take Water and a Certificate of Approval for Air.</p>	<p>EA to address MOE identified concerns; project permitting requirements to be identified in the environmental report</p> <p>Proponent to consult with DND, MOE and municipality to determine intake and outflow information, well and septic location information and building permit requirements</p>
11.0	<p>Canadian Transportation Agency</p> <p>CTA (JW) indicated that the agency may be a responsible authority in accordance with the <i>Canadian Transportation Act</i> if any part of the Big Eddy works intersects with a federally regulated railway. It was noted by JE that the ownership of the Ottawa Valley Railway remains unclear.</p>	<p>Xeneca legal to verify OVR ownership and advise CTA.</p>
12.0	<p>Ministry of Natural Resources</p> <p>MNR has prepared written comments regarding the information provided in the PDs and will provide those to the proponent. MNR emphasized need to see baseline environmental and hydrological reports as soon as possible.</p>	<p>ERs to examine and identify cumulative</p>

	<p>The MNR is particularly interested in making sure that both the Big Eddy and Half Mile projects meet all permitting requirements as well as the requirements of their site release. Issues with land owner agreements may affect approvals under the LRIA and AOR status. They added that they would like to see the cumulative impacts of both projects (including fisheries, water levels and flows) addressed in each environmental report.</p> <p>The MNR also expects the ER to address the requirements of water management planning, including a Dam Operation Plan, hydrology, fish passage and minimum ecological flows. The specifics of these elements will also be dependant of the forthcoming SAR information.</p> <p>MNR (LT) noted that Species at Risk permit applications will be required for the construction of the Big Eddy dam and that processing time for these permits can take approximately one year with proper studies performed (exact times dependant on the species and the impact). LT further emphasized MNR cannot make comments on SAR because data has not been received from proponent. This data is needed as soon as possible. MNR legal is still investigating the application of the ESA to the Half Mile project. LT noted that the project will likely require a "C" permit, showing overall benefit to the species and the habitat. It was noted that approvals under the <i>Endangered Species Act</i> must be secured prior to the issuing of any approvals under the LRIA.</p> <p>MNR (HH) would like to see methodology and results of hydrological analysis and modeling completed to date and the results confirmed by at least two statistical methods. All modeling should be completed considering the condition where the dam gates are fully open and fully closed and should include a discussion of potential impacts to geomorphology, flow regime, in-stream velocities upstream and downstream of the facility, the downstream waterway and upstream and downstream sedimentation. MNR is uncomfortable with the use of the term ROR for the Big Eddy project and would like to ensure that it is further defined and explained moving forward. MNR (HH) also recommends consulting with railway as soon as possible to determine their timelines and approvals requirements if applicable.</p>	<p>impacts between the Half Mile and Big Eddy projects</p> <p>ER to include/address water management planning requirements</p> <p>Xeneca to address requirements in hydrological modeling/reporting.</p> <p>ER to include further discussion on ROR systems.</p>
<p>13.0</p>	<p>Connection and Transmission ROW</p> <p>OEL/Xeneca outlined that the connection points were determined in the FIT application/ contracting process based on where there was connection capacity. The transmission routes identified in the PDs reflect Xeneca's current thinking on the best and most efficient routes to connect the projects. It is Xeneca's intention to follow previously disturbed areas where possible.</p> <p>MNR/DND indicated that a biological assessment, including ground truthing would be required to establish existing terrestrial conditions and identify potential impacts. DND identified that a UXO escort may be required to complete studies.</p>	<p>DND to determine requirements for ground truthing studies. Proponent to complete required studies in the spring.</p>
<p>14.0</p>	<p>Meeting was adjourned at 16:30</p>	

MINUTES OF MEETING

4 September 2012

PROJECT Big Eddy Proposed Project on the Petawawa River

LOCATION MNR Pembroke District Office

Participants:

Tania Baker (TB) MNR
Tom Giesler (TG) MNR
Christine Greenaway (CG) MNR
Henry Haemel (MNR)
Karen Handford MNR
Joanna Samson (JS) MNR
Rick Watchorn MNR
Gillian Dagg-Foster (GDF) MOE
Jon Orpana (JO) MOE (by phone)
Mohammad Sajjad Khan (MSJ) MOE (by phone)
Rich Rudolph (RR) DFO
Kristi Beatty (KB) ORMG
Lisa Uskov ORMG
Muriel Kim OEL (by phone)
Kai Markvorsen (KM) OEL (by phone)
Mark Holmes (MH) XENECA
Edmond Laratta (EL) XENECA (by phone)
Nava Pokharel (NP) XENECA (by phone)
Uwe Roeper (UR) XENECA
Grace Yu (GY) XENECA (by phone)

PURPOSE -

Items and Actions	
1.	Mark presented the additional work done in the past year. CG expressed concerns over timeliness of distribution of materials for the meeting – no time to review, may need to review during current meeting.
2.	Kristi updated studies done for the river within three years. - Wood turtle not confirmed at Big Eddy, although they are in tributaries of the Petawawa R; - Blanding's turtle is not identified in footprint of project, though they are in Petawawa River; - MOE granted permission to use catfish to measure methyl mercury; all methodologies are governed or permitted by MOE. - Survey area includes physical footprint area plus 200+ m; mapped for inundation area and downstream to the confluence with Ottawa River; - Electrofishing can not be done due to the UXO in the river. North bank is DND land;

	<ul style="list-style-type: none"> - Studied both provincial and federal list of SAR species; -ROR option mean that most terrestrial SAR not really relevant, mostly for fish species, should not have any impacts on the turtle species; -Assume American eel are, or will be, present in the river, even though have not caught any during current or past surveys on the Petawawa R.; - No Walleye and Sturgeon spawning at immediate project site; but there is potential spawning habitat substrates in the riffles at the bottom of the proposed bypass reach just above the tailrace outflow
3.	<p>RR (DFO) raised concerns regarding ROR definition. Will water in = water out at all times? No holdbacks at all?</p> <p>UR- For ROR, the inflow and outflow are the same. Whatever coming from upstream will equal to flows through the weir and tailrace. It is important to divide the flow between the weir and tailrace. This is fully ROR.</p> <p>CG – add the term “instantaneous in-out” to all documentation in permitting and approvals.</p> <p>Tami/Kai/Ed Laratta: Include OWA definition of run –of river in Big Eddy ER and send a copy of the definition to attendees of September 4 agency meeting on Big Eddy.</p>
4.	<p>Downstream ZOI</p> <p>RR – Due to run of river operations plan, where is the actual ZOI?</p> <p>CG – ZOI should include any area impacted by sediment, flows, etc. Concern is mainly in areas where there will be influences</p> <p>JS- PIC downstream ZOI not marked – is Xeneca assuming there isn’t one? ZOI has not been discussed with agencies previously.</p> <p>Uwe –it is a very small headpond with little storage. Downstream of tailrace will be back to normal river flow. Modified ROR has huge potential implications to flow regime, here, no attenuation, no modification of flow downstream of tailrace. Several ROR projects have recently been approved with no downstream ZOI – ends at convergence or tailrace and bypass.</p> <ul style="list-style-type: none"> - full ROR at Big Eddy; <p>TB concerned about downstream ZOI extent being defined not just by hydrological changes, but also temperature, sedimentation, etc.</p> <p>UR - Both field study and hydrology modeling were done all the way to Ottawa River;</p> <ul style="list-style-type: none"> - fish passage will be provided. - did not see erosion/sedimentation as a concern. We have done some work on erosion due to existing concerns with the delta sandbars at Ottawa and Petawawa River confluence. We can discuss these today. <p>UR - This is not modified ROR as other Xeneca projects. For ROR, the downstream ZOI is usually considered to end when the tailrace joins the natural river.</p> <p>CG argued that the extent of ZOI will depend on the mitigation measures provided. Other sites may have no downstream ZOI due to determination by studying the area, discussion with agencies. Proponent should come to a consensus with agencies regarding the upstream and downstream ZOI the sooner the better. Should be done before the ER.</p> <p>Action: Ed/Mark/Uwe: Provide MNR (Christine Greenaway, Joanna Samson) and DFO (Rich Rudolph) with a rationale for having no downstream Zone of Influence at Big Eddy. Rationale should include evidence of lack of thermal stratification, temperature change, additional</p>

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	erosion effects, etc.
5.	<p>Public consultation addressed prior to other issues due to limited availability of Rick Watchorn (MNR)</p> <p>1) Mark -have leasing agreements with Base and H&H Construction; - Residential land owners upstream have been advised on the inundation area. There would be negligible impacts to the most part, but some inundation is possible. Officially surveyed by Adam Kasprzak. All owners contacted, no replies. Weir can be modified if needed. JS -Permitting will need sign off from public landowners. Mark –Kayaking community commitment that all flows will go to the river channel during important recreational events like Hell or High Water. Flows during remainder of year being discussed with Petawawa River Rats and Whitewater Ontario. KB -Memorandum of Understanding agreements will require agency sign off, as discussed in Prescott DFO meeting. All agencies need to know of water sharing agreement with kayakers for WMP and PTTW. MH- not finalized yet, but understood. GDF- were the River Rats at the latest PIC? MH – Yes, have been in discussion with Petawawa River Rats for more than two years. GDF – Permit to Take Water - will need to ensure flows being made available for kayaking are acceptable under all permits, MOE needs to be involved in any MOU discussions. TB – Has the NWPA application been submitted? Regarding NWPA, Grace submitted the application a few months ago, but did not hear back. Grace to confirm whether TC received the NWPA application. (TC confirmed the application was received.) JS– Tim Markus may be lead on NWPA side; Xeneca will need to share MOU with MNR, DFO, MOE and TC, possibly DND. UR– will be trying to address design and large stakeholder issues first, then permitting, within the timeline restrictions of EA. Agrees to having discussion with all agencies prior to permitting stage. - floodgate may be required in weir if not able to get landowner agreement. Two options may be considered.</p> <p>2) MNR - specific operations, WMP and minimum flow in bypass may be required to be presented to the public. For WMP, it will be required to have more precise flow values. LRIA under review, working to streamline water management plan approvals. - want to have the process incorporating public and Aboriginal feedback. Uwe - would like to separate processes and requirements of EA versus LRIA. LRIA is not EA, a separate process. WMP has been engaged in OP. We added it in OP and the PIC for public consultation. Minimum flow of 2cms proposed at the PIC; - Have consulted a lot in the past 5 years and made many adjustments to project based on public’s feedback; - It may still not satisfy LRIA requirements. Need to hear from MNR about that; - Have discussed with stakeholders about the amount of water released during particular hours of the day; - Had some proposed flows in the past OP, but retracted it in updated OP to avoid giving the</p>

impression that they are final.

Mark - minimum flow was presented verbally and discussed at PIC, but not indicated on posters because it has not been finalized.

JS-2cms proposed is a good starting point for discussions, but is not to be considered final.

Agreed LRIA and EA are different. LRIA changes allow for the order and preparation of a WMP during the EA and subsequent permitting. Prior to the LRIA amendments, and Order to prepare a WMP was issued after the facility was constructed. A separate WM Planning process would then need to take place.

KB - lowest recorded was 4.9 cms according to Water Survey Gauge (EC) at Hwy 22 bridge. (Final figures for summer 2012 show minimum at slightly over 4.4cms).

GDF - low flow this summer was not normal and may not be sustainable long term. The proposed ecological flow of 2 cms seems really low.

JS- public consultation will still be required regarding flows from aspects of kayaker/ fish passage/ weir design and water management planning objectives.

CG - minimum flow value should be discussed with all stakeholders and during aboriginal consultation. Agencies are not responsible for stating what that minimum flow should be, the proponent proposes a number that is discussed until it works in concept. It may change during or after consultation with all stakeholders.

UR - understood, and stakeholders have been consulted with at Big Eddy more than for any other project. EA is intended to give stakeholders a view of the design and concept for final comment.

JS - ideally minimum flow should be completed in the EA, and communicated to the public during this stage to avoid issues at the LRIA permitting stage. If you can meet the LRIA needs through the EA, everyone benefits.

MH - 670+ individual stakeholders have been identified in this process.

TG - have owners of the all season bridge and railway bridge at the site been contacted?

MH - there will need to be new bridges across the penstock. Propose similar structure to that used now by snowmobilers. CPR hasn't given much thought to project until disposition is complete. Xeneca will deal with whoever owns the structure at the end.

Action: Mark to follow up after discussion with Kayakers: Any MOU must be shared with Pembroke MNR, DFO and Eastern Region MOE before the terms of water sharing agreement reached with Petawawa Kayakers can be finalized.

3) Algonquin of Ontario consultation.

JS- Received requests from AOO, asking what they should be reviewing. Not comfortable with telling AOO what they should or should not review. They need to check with Xeneca.

- What information has been provided or not to AOO? Baseline report of 2011 and 2012? Future consultation would be with Jim Hunton at Jp2g Consultants (Oct 3 scheduled).

- AOO sent letter of non-support to Xeneca. AOO will likely expect to receive a draft ER to review at the same time as other agencies. New Biologist hired under Janet Stavinga - will be reviewing all relevant information available.

JS- a separate call regarding Algonquin consultation needs to be set up. Suggested a discussion with Ken McWatters and Rick Watchorn about this.

MH- would like to have side conversation when appropriate stuff are available. Dean not leading this site for aboriginal consultation, Mark is.

JS – need to clarify what the AOO situation is.

Action: Mark to set up meeting with through MNR Resource Liaison Ken McWatters, cc Joanna Samson, include MOE Jon Orpana and Vicki Mitchell, DFO Rich Rudolph to discuss Algonquins of Ontario (AOO) position on Big Eddy.

4) Disposition of Crown land and provincial land

Jon -Disposition of Crown land in respect to river bed?

- will want to determine if that affects AOO.

JS - Yes, there will be a disposition of Crown land. Suggestion made to share draft ER with them.

UR- Noted that provincial and federal regulators sometimes came up with different lists of communities to consult.

RR - DFO also has a role on consultation.

- need to double check the list but will conform with provincial list provided by MNR/MOE. Final decision on whether consultation is sufficient is made by any Federal agencies that are issuing permits.

- INAC will consider provincial guidance.

KB - INAC has deferred to MNR with regards to Algonquin consultation for Federal project proposed at Half Mile. Need to confirm their role at Big Eddy due to DND land on north side.

RR - DFO and TC will have to make their own determination as to the sufficiency of FN consultation. Rich will contact Chris from INAC.

UR –will put something in writing to Tom Geisler to confirm provincial/federal jurisdiction;

TG – Municipal Road Allowances will also require an agreement – similar to private land.

Land use permit may be sufficient for location of weir in the interim, then final lease agreement? Needs to research.

- a map might be good to show which part is crown, which part is provincial;

- weir and fishway are on provincial lands; powerhouse on Federal; headpond on federal/provincial/municipal and private land.

Action:

Uwe and Mark to provide Christine Greenaway and Tom Giesler with wording in order to pose the question on whether a federal or provincial waterpower lease will be required for the Big Eddy Site.

Mike and Nava to provide maps of entire zone of including upstream inundation areas, weir site, power canal, powerhouse, roads, transmission lines and bypass reach, identifying land ownership.

JS -Has Half Mile been cancelled? on hold?

UR- Half Mile is on hold, but need to sort that out. Have not legally “accepted” DND’s position, will take a month or more to sort out, but as far as Xeneca is concerned it is not cancelled.

5) Archaeology

Stage II archaeology is happening this month or early October, will require UXO escort.

	<p>KB-some geotechnical work to be done will also require UXO escort. Some of the geotechnical work may or may not be on shoreline, may or may not require permit.</p> <p>- AOO has been notified. They have hired their own archaeologist.</p> <p>TG- one of the geotech_drill sites may be on south shore line, barge required? He is discussing with Nava to find a better site. Work permit required for boat launch if barge is actually required.</p> <p>UR- are aware of this problem. Need to talk about the boat launch. Should not be required. If so, permit_will likely be avoided.</p> <p>TG – may or may not need a permit if the work is in the riparian area. H&H Construction is not aware of any potential works on their property!</p> <p>JS- need landowner agreement if this occurs on private land.</p> <p>MH - 500 newsletters distributed to people in Petawawa.</p> <p>Action: Mark/Nava to follow up with H and H Construction to advise on the nature and extent of Geotech and geophysical work and possibly archeology required on their property. Potential dates needed.</p> <p>Mark/ Mike/ Nava to set up meeting with Kristi Beatty and Luke Della Bona to organize geotech and archeology work at Big Eddy.</p>
3.	<p>Hydrology</p> <p>Uwe - took a lot of cross-sections this year during low flows. Have very good data to discuss what flows are needed for fish passage and Qenv flows in the bypass.</p> <p>CG - will need to also consider minimum flows. Concern that not all people involved in the fish passage discussions are on the call. May be best to discuss at a high level and reconvene the appropriate people for further flow discussions. Can do downstream ZOI discussion now, since key MOE staff are available.</p> <p>Kristi - Ecological flow will need to be put through passage. Minimum flow is provided via the fish passageway to allow water to be used for both passage and bypass reach ecological flows..</p>
4.	<p>Downstream ZOI</p> <p>UR- haven't had a lot of questions from public about this. They were more concerned about flows as they relate to safety.</p> <ul style="list-style-type: none"> - If turbine shuts down, concern about dewatering - drop then increase inflow. - Will have an emergency bypass in place in case of emergency turbine shut down. - Changes in flow allocation below bypass and powerhouse will be gradual. - Do not believe that further studies on downstream ZOI are needed for these reasons. <p>CG- will downstream ZOI be rationalized in ER?</p> <p>KM- if we are provided with the information to have that discussion, yes.</p> <p>Action: need to provide discussion/rationale for ZOI</p>
5.	<p>Thermal impacts</p> <p>CG – what about thermal considerations?</p> <p>UR – 1.6m total inundation, overtop weir design, not deep enough to have a thermal impact. If MOE/MNR/DFO disagree, we can discuss.</p>

	<p>RR – How did you determine that there would be no impact? Studies? Experience? Similar/past projects?</p> <p>UR – inundation extent within existing flood area + minimal holdback time = no net change should occur. No study scheduled based on that rationalization.</p> <p>RR – if problem is noted, what happens? Will temperature be monitored pre and post construction?</p> <p>UR – Yes, monitoring program for temperature is committed to in the EA, along with water quality. If concerns still exist, we could model if that would help</p> <p>RR – wait until all agencies have a discussion; agencies will respond so you can move forward.</p> <p>Action - DFO/MNR/MOE to discuss potential thermal impacts so that Xeneca can model if necessary.</p>
6.	<p>Sedimentation and erosion</p> <p>UR – historic sedimentation/erosion identified at Petawawa Blvd bridge; have studied where sand at Ottawa R convergence delta came from, assessed erosion potential of banks. Tailrace orientation will address erosion, sedimentation was historic from deposits upriver, all depleted. Xeneca has offered Town option to gabion the erosion prone area near Petawawa Blvd bridge.</p> <p>TB - Flow velocity will be reduced in the headpond post construction; this tends to increase sedimentation upstream of dams, causing sediment starvation and potential increases in erosion downstream.</p> <p>UR - Will get some small amounts of sedimentation upstream of the project. Sand will continue to be transported over the top of the weir. Powerhouse will reduce flows downstream as it will take energy out of the system.</p> <ul style="list-style-type: none"> - Tailrace flow velocity is significantly lower than upstream. - Tailrace is oriented in direction of the channel, not into the shoreline. - There will be continuing erosion on north shore. Erosion is only one piece. The project won't erode the gravel deposits downstream. - Plan and specs require detail erosion plan. EA will have some information. More will be provided in LRIA and WMP. <p>TB -Impacts to bridge need be considered;</p> <ul style="list-style-type: none"> - sediment transport and erosion should be considered; - address why changes in flow velocities will not impact sedimentation. <p>CG – ER needs to show all discussions and rationalization for downstream ZOI, impacts to biota, erosion, sedimentation, thermal impacts, passage. Needs to also be available for LRIA, permitting.</p>
	Lunch break
7.	<p>Hydraulic modeling</p> <p>UR-Has been a lot of focus and discussion on bypass channel (~600m length).</p> <ul style="list-style-type: none"> - Bypass is mostly bedrock-bottomed. - Primary objective of bypass flows provided is for fish passage, secondary are navigation

and aesthetics.

- Treating bypass as having bypass flows, not river flows.
- Gravel bar will be partially exposed in all but freshet flows (above tailrace)
- Sixteen (16) additional cross sections have been added and surveyed, have water depths

at all cross sections, depths and flows at key locations.

KB- need to consider velocity and flow carefully as some areas experiencing high flows.

CG-Potential for 2D modeling to compare fish habitat to velocities/flows etc?

RR- bypasses need to be considered on a case by case basis. Need to consider full productivity.

- 2cms may be ok, may not be. Need to consider what species are there.

Uwe- that is why it is important to know, to look at what habitat in that reach. Gearing flow discussions heavily towards fish passage, as there is not a lot of significant habitat for other species in the bypass reach. We can look at 2D model if necessary.

SK- how will 2D models be provided?

UR - not sure. Will have to check with Nava to see what was done with Wabageshik.

Action: Uwe to send Sajjad Wabageshik 2D model

Action – RR and TB to discuss key cross sections and results to determine whether/where 2D velocity modeling is needed

UR- No habitat present in bypass only gravel bar downstream. Focus will be on fish passage.

- Whenever flow exceeds or is below turbine capacity all excess water goes through bypass / fishway.

- Have been looking at different proposed flows to ensure fish can go up fishway. Flow provided for fish passage should be at least equal to minimum ecological flow. Fishway will always have 2 cms.

RR - Need to focus on interaction of velocity and depth of water when discussing fish passage, not just one or the other.

Should identify which species and which life stages will use the passage when determining the flow needed.

KB- It is being considered. All Petawawa fish are spring/summer spawning. All life cycle stages are considered in the operations plan for the passageway.

TB-Really need to focus on passage requirement at key times of the year.

UR - described flow allocation between bypass and turbines under various flow conditions.

KB- bypass reach should be well inundated during spring spawning and larval drift, need plenty of water.

- High flows are less of a concern as fish either can or cannot get up naturally. Bigger concern is for periods where flows are naturally low.

- Sturgeon has a lower speed compared to walleye; fish passage will need to accommodate them.

- need to assume that fish will go into fishway.

Action: Uwe/Nava to use the table provided by Tania Baker, -convert 3Q10 flow rates into flow velocities and then apply velocity calculation to known data of what is required for fish passage.

Action: Follow-up meeting to discuss fish passage and minimum flow. (meeting on September 7th proposed)

	<p>KB- need to determine critical velocities for sturgeon in fishway.</p> <p>RR- need to provide rationale for why fish passage design considers all life cycle stages, how flows are important for given fish life history stage. Focus on passage and fish movement is fine, but ER needs to show agencies that other habitat is not key at other times.</p> <p>UR – focus for Xeneca is on getting fish up the passageway or over the weir during man-induced low flow conditions, not concerned as much about high flows during freshet, but are also proposing a boulder area on the north shore to allow for lower velocity area for fish to move upstream during freshet conditions.</p> <p>SK – interested to know velocities at key transects. Not included in existing data, may not be able to model.</p> <p>UR – did velocity slices at Wabageshik, not sure how though. Will send Waba report to Sajjad for review.</p> <p>SK – is that report part of the Wabageshik EA?</p> <p>KM – not aware of it until this call, so unlikely that it was part of the EA</p>
8.	<p>Surface water program</p> <p>Uwe- As MOE Eastern Region agreed, the monitoring for Big Eddy will follow Northern Region’s Draft Guideline guidance. Information collected should meet PTTW requirements.</p> <p>GDF – will ensure Sajjad has all relevant hydrology and hydraulic information for this project to review.</p>
9.	<p>GDF - Need water share agreement with kayakers – MOE, MNR, DFO need to be circulated on any MOU prior to an agreement being finalized.</p> <p>JO - Waste water and dewatering for cofferdam need permits under Sec. 53 of the Ontario Water Resources Act.</p> <p>Drawings for cofferdams will be provided for PTTW.</p>

Summary Notes for 6 November 2012 Meeting

Held at Xeneca Corporate Offices

Re: Fish Passage and Ecological Flow for Big Eddy Project

Present: Joanna Samson (MNR)
Tania Baker (MNR)
Henry Haemel (MNR)
Ryan Stainton (MNR)
Tim Haxton (MNR)
Rich Rudolph (DFO)
Derrick Beach (DFO) (arrived 1030)
Kristi Beatty (ORMG)
Lisa Uskov (ORMG)
Ed Laratta (Xeneca)
Uwe Roeper (Xeneca)
Nava Pokharel (Xeneca)

By Phone: Karen Fortin (WESA/OEL)
Mohammed Sajjad Khan (MOE)
Richard Slopek (CPL)
Dr. Rajaratnam (UCal)

Meeting start 0900h.

- Fish passage objective has changed from all-year to specific times (walleye staging and sturgeon staging). Initial suggestion was 30 m³/s of compensatory bypass flow from April 1 to June 15. The objective of the 30 m³/s is to ensure enough flow to get fish upstream over bedrock ledges in the bypassed reach. The 30 m³/s was accepted by Xeneca. As to the timeframe, Xeneca is to propose an alternate way of determining the staging timeframe by monitoring temperature triggers. This will help to ensure that water is provided when it is needed and not needlessly. **ACTION: Kristi to prepare temperature trigger proposal letter.**
- The 30 m³/s fish passage concept requires the current fish way to be redesigned because the fish way structure was designed for 2 m³/s all-year round. At 30 m³/s, the flow will overtop the weir. Xeneca will replace the current fish way design with a bolder field design along the north shoreline that will get fish over the weir at flows of 30 to 200 m³/s. **ACTION: CPL to revise weir design drawing.**
- During other times of the year, the initial suggestion by MNR was 10 m³/s of compensatory bypass flow. Xeneca stated that this would be uneconomical. The group discussed the available hydraulic results that show that there is very little difference between the wetted perimeter at 10 m³/s and 4 m³/s. DFO suggested that the key objective was to providing downward fish passage. To meet this objective, the contiguity of flow from top to bottom and adequate water depth for big fish was key. Other habitat activity should also be considered. **ACTION: Xeneca is to provide a discussion using the available data to show at what flow rate the downward passage objective can be met. All agreed that this would help to make a defensible case. (CPL, Xeneca, Kristi).**
- DFO and MNR noted that there is an important riffle spawning habitat at the bottom end of the bypassed reach. It was discussed that this area would be provided adequate flows during

spawning now that the 30 m³/s compensatory bypass flow had been agreed to during the spring. Kristi noted that not much spawning had been observed in this area during the field studies. The analysis on flows for the period thereafter should show that there is sufficient wetted perimeter for egg incubation. **ACTION: Xeneca to consider minimum wetted perimeter for this area as part of the flow rate discussion above.**

- DFO noted the importance of the sand bar that exists in the tail race area. It was concluded that this habitat would remain wet at all times since it gets water from the tailrace, but erosion was a concern. Sediment transport and river morphology was discussed for the pre- and post-project. It was concluded that a discussion should be provided as to how to protect this sand bar. To this end, the flow circulation patterns around the sand bar should be understood, a solution for providing sediment from the upstream side of the weir should be considered if needed, future monitoring should be carried out. **ACTION: Xeneca to present a discussion on protecting the sand bar long term (CPL and Xeneca).**
- Preventing fish mortality was discussed. Xeneca is designing the intake canal for a flow velocity of 1 m³/s or less to ensure fish can get back out of the canal if desired. DFO suggested a general trash rack spacing of 35 mm would be ok for keeping big fish out, but a finer screen (perhaps 22 mm) would be needed during downward migration of young eel. MNR and AOO have just negotiated screen sizes for another waterpower project. Xeneca indicated it would like to review the information and perhaps use the same sizing if possible. **ACTION: MNR to point Xeneca to Bonnechere project info. Xeneca to propose screen sizing for intake/trash rack.**
- At this time, no eel have been found upstream of Big Eddy; however, Xeneca is planning to design the structures for eel to future proof the project. Xeneca plans to build for eel but will not operate any eel screens until eel are found. DFO is doing a DNA study in the Petawawa to look for eel presence. **ACTION: DFO to share DNA study results when available.**
- Xeneca is proposing to provide a water slide for eel or other fish that are in the intake canal and want to go down. The eel slide will be a pipe that the eel can find if they repeatedly try to pass the trash rack. The eel slide will be a pipe that slides them down to the tailrace area. This was quickly adopted by the group as good idea. **ACTION: Xeneca to propose eel slide at intake in the EA process.**
- Xeneca is proposing to install a light and sound deterrent that entrance to the intake canal that can be turned on during migration periods. This will divert some of the fish to go over the weir. Those that do go to the intake area will have the eel slide as a passage option. **ACTION: Xeneca to propose light and sound deterrent at the entrance to the canal in the EA.**
- MNR suggested sharing fish and eel mitigation efforts with AOO. AOO is focussed on these issues and may welcome the thought that has gone into it. It was suggested to share the agency review draft version of the EA with AOO when ready. **ACTION: Xeneca to discuss fish mitigation and pre-review of EA draft with AOO.**
- MNR suggested informing the public of the fish mitigation efforts and the flows for the bypass reach before the EA goes out. **ACTION: Xeneca to consider a newsletter to the public informing them of the fish passage working group effort with MNR and DFO and the consensus solutions that were arrived at.**
- MNR asked about the kayaking negotiations. Xeneca noted that efforts are still underway to reach an MOU. Xeneca has completed a usage study and consulted with kayakers. An MOU has been discussed with kayakers but the effort is not finalized.

Meeting adjourned at 1400h.

**MOE / Xeneca / OWA Teleconference Meeting Minutes
Road Assessment under the OWA Waterpower Class EA
April 3, 2013**

Attendees:

Paula Allen (PA), MOE	Mark Holmes (MH), Xeneca
Carrie Hutchison (CH), MOE	Mike Vance (MV), Xeneca
Laurie Brownlee (LB), MOE	Arnold Chan (AC), Xeneca
Rosanna White (RW), MOE	Grace Yu (GY), Xeneca
Kevin Hosler (KH), MOE	Dave Thomson (DT), Dowland
AnnaMaria Cross (AC), MOE	Karen Sounders (KS), KBM
Ross Lashbrook (RL), MOE	Al Harris (AH), Northern Bioscience
Paul Norris (PN), OWA	Tami Sugarman (TS), WESA
Colin Hoag (CH), OWA	

Meeting Purpose: To clarify the requirements for roads assessment under the OWA Waterpower Class EA

CH provided a short overview of the purpose of the call which was to determine what the requirements are for roads assessment under the OWA Waterpower Class EA. She indicated that MOE had internally reviewed the Class EA and indicated that roads are within the project components and also under the Glossary of Terms. She further noted that she was not entirely current on Xeneca's approach.

MH mentioned the OWA Class EA does not clearly say what is required for roads assessment. There may be different interpretations of the requirements. Xeneca had discussed different approaches with consultants. He updated Xeneca's approach by noting that Xeneca is currently undergoing a very robust desktop review incorporating ELC, GIS information, MNR's input values, and also forestry resource inventories with an intention to avoid any sensitive areas or private properties. If any roads were transecting private property, Xeneca would engage in discussions with those parties. The next phase would involve a ground assessment to confirm the desktop review. He noted ground assessment would be in the EA. MH also mentioned the routes information was presented to the Public and FNs.

MH noted that there were two tracks: those that were on a fast-track process because of timeline constraints and those that have greater flexibility on deadlines. For projects requiring fast tracking MH noted that Xeneca would assess within a 500 m wide swath and that if sensitive values were identified in the desktop review, Xeneca would re-route the roads around the feature to avoid it, or otherwise address, assess and mitigate any impacts all of which will be included in the final ER. This approach was under development by Dowland Inc. and Northern Biosciences and KBM since last October and is intended specifically to meet the requirements of the OWA Class EA.

DT noted that Northern Bioscience (Al Harris) and KBM have been engaged to conduct a detailed desktop review followed by spring field work to identify areas of significant habitat and potential impacts. DT indicated that this activity would like occur based upon appropriate weather during mid-spring, which was likely to occur in late April or the first two weeks of May of this year. DT further indicated that KBM Forestry was compiling an assessment of the GIS database in order to focus the assessment. With assistance of new ELC data, GIS information and MNR input, new roads will be fully

sampled. Through verification of significant habitat, if any candidate significant habitat exists, mitigation and follow-up monitoring will be implemented. The process would be applied differently site by site.

CH indicated her appreciation that Xeneca was getting on the ground assessment information. She then raised concerns about archaeology assessment for roads as well. DT indicated that Woodland Heritage would be conducting Stage 1 and Stage 2 on the ground assessments, and that in one case Wanatango, there would be a Stage 3 assessment. DT indicated that Woodland was of the view that all of the fieldwork could be completed by the end of June with reports following shortly thereafter. MH indicated that for the roads, there was unlikely to be many areas of high potential, but they would focus on obvious areas such as water crossings and known portage trails. MH reconfirmed however, that on-the-ground assessment work would occur for archaeology.

MH also noted three Stage 3 sites are known within Wanatango project footprint. One could be avoided and mitigation measures would occur. The other two sites, he noted that Stage 3 and 4s were likely to be conducted. Aboriginal consultation was occurring for archaeological work on this site. CH reiterated that avoidance strategies should be employed for Wabagishik Rapids and the appropriate protocols would need to be put in place in consultation with the MTCS. MH told CH that Xeneca's archaeology consultant will provide written confirmation of avoidance and monitoring protocols to MTCS.

Commenting on Xeneca's proposed assessment plans CH said that from what she had heard, this was much more detailed than she had previously understood and that the approach through a robust desktop study to help field assessment looked good and appeared to be sound. She then asked whether LB or MM were in a position to speak to specific projects. They indicated that for the purposes of this call, they were not in a position to speak to these issues. LB did note that Marter Twp. was scheduled for discussion next week. CH reiterated that, notwithstanding today's discussions, there was no final decision of assessment on any of Xeneca's projects. She noted however, that if the discussed process was being followed, this would appear to meet the intent of the Class EA.

PA noted that these discussions with MOE were intended to provide advice to proponents about the requirements to meet the Class EA and good process has been made. She noted that the appropriate staff appeared to be on the call. She reminded Xeneca that it was important, notwithstanding the discussion, to adequately and properly document in the Environmental Reports all work that is being undertaken

MH then asked about the adequacy of the assessment process proposed for projects that were on the fast track. CH indicated Xeneca's approach appeared sound.

MH observed that the roads assessment requirements for OWA Class EA are different than what is required for the forestry industry and it would be helpful to understand why there is such a substantive difference. At some future point, the waterpower industry might ask why it is being required to adopt a more rigorous approach than the forestry industry.

He noted it is good to have confirmation on the approach to construction of new roads, but questions remain regarding upgrades to existing roads, how much assessment was required? CH responded by indicating that the proponent was required to fully describe the project area and its potential impact, but indicated that MOE was always open to discussion and clarification on whether a particular approach would be appropriate. MH noted that the purpose of these calls in these instances is to get clarification, so as to ensure that we can properly scope the necessary work, and avoid receiving future comments that "the assessment was inadequate and did not meet the requirements of the Class EA".

MH then turned to PN for an industry perspective. PN noted that he has been invited to join the call to speak to industry issues and indicated his appreciation to participate. He noted that there is never a single way to approach a problem and that the creativity of the parties is an important feature of the design of the Class EA. He went on to note that this was part of a planning process and that the purpose of these assessments was to lead to the issuance of interim tenure to the proponents so that they could proceed with their projects. He then noted that on the broader challenge of policy interpretation, the OWA would continue to work with MOE's policy shop to address these issues.

In wrapping up the call, PA noted that, while the MNR had been invited to participate, it appeared that they could not send a representative today. PA reminded Xeneca that MNR should be looped into the same discussions as today's. She noted MNR is ultimately required to provide a disposition of the Crown Resource, and that any disposition must be consistent with Crown Stewardship EA requirements. MH responded that while MNR was not on the call today, KBM and Dowland had been in discussion with MNR for several months in the course of developing this approach. In previous discussions with Sudbury and Chapleau Districts, MNR had indicated they were comfortable with the proposed approach; the requirements of the Lands and Rivers Improvement Act (LRIA) are met.

Big Eddy Agency Discussion – May 15, 2013

In attendance:	Tom Hogarth (TH)	Sajjad Kahn (SK)
Joanna Samson (JS)	Nava Pokharel (NP)	Henry Hammel (HH)
Tanya Baker (TB)	Ernie Watson (EW)	Kristi Beatty (KB)
Ciara DeJong (CDJ)	Mark Holmes (MH)	Vicki Mitchell (VM)
Christine Greenaway (CG)	Vanessa Enskaitis (VE)	
Ryan Stainton (RS)	Tim Haxton (TH)	

Introduction:

MH thanked all meeting participants and expressed appreciation to the agency members for their quick assessment of information and decision to support 4 cms as a minimum bypass flow. Given the late stage of the Big Eddy Class EA and very tight timelines, expedited decision making is critical to project success.

JS noted that the 4 CMS decision required detailed discussion among agencies and the detailed information provided by Xeneca was very helpful in assisting MNR and DFO to reach their decision.

TH noted that DFO had put forward that, with 4 cms DFO accepted, the only caveat is that there will have to be offsets. With minimum 4 cms flow there may be minor loss of production. It doesn't need to be done now, but, during regulatory period, an agreement on compensation and fish passage will have to be reached.

TH said that most of information required to determine habitat loss and compensation is already available in Xeneca's original and supplementary reports.

TB : observed that the 4 cms bypass flow is well below natural flows. Some offsetting should be asked for and she suggested that compensation might include adding a cms or two of flow at certain times in order to protect key critical features need to be protected.

MH noted that extensive work has been done of the past five years to identify ecological values in the bypass reach and to determine the effect the proposed operations will have. Referring to reports sent to MNR and DFO, he noted that Xeneca is willing to undertake post operational monitoring to ascertain that minimal effects are expected on the low ecological values of the bypass reach which is mostly characterized by polished granite, bounders and high velocity flows. A small section at the very bottom end of the bypass has some potential habitat and Xeneca is willing to undertake post operational monitoring to ascertain that study results are the same as what has been predicted.

CG remarked that, typically, on projects when not all information is available, MNR sets Q 95 as a minimum flow requirement. Good information has allowed something less than Q 95 to occur.

Big Eddy Agency Discussion – May 15, 2013

ACTION: CG to provide Nava with policy/ guidance, reflecting minimum flow requirements in bypass reaches.

Ramping Rates/ Lag Time:

TB said she is missing some information on ramping rates. Ecological flows are low and she is unsure of the impact that could be created when flows are changing i.e. during turbine ramp up or ramp down. She expressed concern that there could be potential for fish stranding when water levels change quickly within the bypass reach.

SK remarked that proposed ramping rates that affect the environment need to be reflected in ER. He noted he also has questions about lag time in flows when turbines turn off, the reservoir is filling, and if there will be changes in flow downstream of the tailrace.

MH informed the meeting that many of the questions being raised by MNR/MOE have already been contemplated and answered by Xeneca and will be included in the draft and final ER.

TH said fish stranding is a major concern for DFO and he reiterated concerns about flow lag time and effects on downstream features such as the catwalk.

MH said post operational monitoring will be done to confirm what study results have shown and that monitoring should provide comfort that effects have been mitigated.

TH said DFO has no problem putting a post operational monitoring plan in place. DFO Just needs to be sure that plant design has flexibility to adapt to and changes that may be required to mitigate unforeseen effects.

Responding to questions from NP, SK agreed that, over last three years, MOE did not make ramping rates a big issue, but, because of a recent fish kill at a facility in Ontario , MOE is looking a lot harder at the issue. He said he needs more detail on how ramping will work and the flexibility of the system to adapt.

EW said Xeneca needs to provide a fish salvage program as part of adaptive management strategy to mitigate if fish stranding is occurring.

Responding to SJ's concern that monitoring is required up and downstream of the tailrace to ensure the facility is true run of river, NP said two stations are redundant. A single station can determine if a facility is operating run of river.

SJ/ TH/ JS are all disagreed and insisted two monitoring stations are required.

ACTION: Xeneca will use the upstream water gauge of Canada and install a flow monitoring device downstream of the Big Eddy Tailrace as part of the Xeneca's reporting and compliance efforts. Reporting to occur at 15 minute intervals.

Big Eddy Agency Discussion – May 15, 2013

NP notes powerhouse overflow channel design will address lag time issue.

Asked by RS for the estimated time for water to crest the weir when flow is being diverted through bypass. NP observed that there is no time lag since the fishway design constantly allows flow. NP explained that Xeneca has already addressed the lag time issue that was originally raised as a safety issue by stakeholders on the project. A powerhouse bypass has been designed for the project. A rubber dam will allow water to bypass the powerhouse and be used to regulate flows to ensure that run of river flows are maintained at the confluence of the bypass and tailrace.

NP reminded the meeting that Big Eddy is designed as a run of river operation. The power plant will run continuously most of the year unless there is an emergency, or when water is released for recreational kayaking and rafting.

ACTION: Xeneca will provide greater detail on how ramping will occur and explain how project design and turbine choice will provide design flexibility in achieving run of river flows.

Downstream Zone of Influence:

CG stated that if it is Xeneca's commitment to not alter flow downstream of tailrace, monitoring will need to occur.

Discussion on how to monitor flows ensued and the issue of tailrace orientation was raised. NP explained that substantial data has been provided to show that the pool at the confluence of the bypass reach and tailrace will remain wetted under proposed flow conditions.

TB stated that young of year sturgeon may depend on the natural flow and mixing conditions are the pool and Xeneca operations may alter their habitat.

MH and KB observed that several years of study have not identified any sturgeon at that site and, although Xeneca acknowledges there is suitable habitat, there is no requirement for further 2 D modeling or extensive studies. NP noted that 2 D modeling would not provide information that is any better than what exists currently.

MH expressed concern that additional studies will only further delay the project which is now months behind schedule. If there is no proven issue and further studies will not better inform decision making, there is no need to further delay the project.

SK informed the meeting that 2D modeling does not need to be lengthy or prolonged and he believes the work would help better understand if there will be significant effects in the pool.

JS informed the meeting that it is Xeneca's decision what to include or not include 2 D modeling in the EA, but that leaving the information out may lead to more comments on the ER.

Big Eddy Agency Discussion – May 15, 2013

With respect to developing information about the pool and effects of Xeneca operations, TB said Xeneca is on the right track.

MH suggested that further modeling of the pool at the tailrace confluence could occur post EA and VM responded noting that it is best to assess all known effects in the EA.

The meeting heard Xeneca will consider the request for more modeling and consensus was reached to revisit the 2 D modeling requirement issue in a follow up discussion.

Responding to questions raised by CG, both NP and SK confirmed effect on flow velocity and levels at the tailrace confluence are highly localized and effects downstream are not expected to occur.

Recreational flows

MH provided an overview of the discussions that have occurred with the recreational whitewater kayaking and rafting community. The intent has been to reach a water sharing agreement that will accommodate recreational needs. The most recent offer was voted down by the whitewater community, however, Xeneca will include in its operating plan, a commitment to provide 100 hours of on-demand flows for recreational use. The commitment is reflective of the ongoing monitoring program that has identified the timing and extent of recreation whitewater activity on the affected Railroad Rapids section of the Petawawa River.

The meeting heard that the only caveat to the recreational use offer is that it must be approved by the regulatory agencies.

Asked for her comments on the offer being made to the whitewater kayakers, VM said that today's discussion is effects and mitigation efforts on ecological features and she couldn't speak to the offers made to the kayakers.

EW said Xeneca will need to look at the ramping rates proposed for flow changes to accommodate kayakers. MH said ramping rates for recreational use will be in the 45 minute to one hour range.

Fish passage and Spawning:

The meeting heard that flow commitment for fish migration and flow for fish spawning are two different issues.

Xeneca has committed to 30 CMS flows from April through June 15 which will allow fish passage throughout the spawning period. Flows for spawning will be set on a thermal unit (temperature based approach).

KB observed that Xeneca's commitment to minimum 30 CMS flow is ample flow for both migration and spawning flows. With respect to spawning, the trigger to provide 30 cms will occur when water temperatures reach 4 C and conclude at 16 C. These temperature ranges include the spawning ranges for both walleye and sturgeon

Big Eddy Agency Discussion – May 15, 2013

TH noted that Sturgeon in the Ottawa River have spawning at temperatures up to 18 C and Xeneca agreed to establish 18 C as the upper end of the spawning temperature range for sturgeon.

It was noted that no spawning has been observed during the past few years of study on the bypass section of the project area, however it was acknowledged that the riffle area at the bottom end does have some good potential. With respect to egg incubation KB informed the meeting that flows could be reduced and still ensure protection for eggs and fish larvae as long as potential egg laying areas remain wetted.

TH informed the meeting that two weeks after spawn is adequate for egg hatch and larval drift and lower flows could be acceptable.

KB said there is not much difference in wetted area when flows are between 30 cms and 20 cms. Xeneca has transects of riffle area and can measure the wetted area specific to potential sites where sturgeon could lay eggs.

ACTION: KB will provide an assessment of where sturgeon could potentially lay eggs under spawning flows and determine how much flows could be reduced without harming eggs during incubation and hatch/ KB will provide results and discuss with TB and JS.

Info gathering forms:

TB urged Xeneca to get Endangered Species info gathering forms submitted as early as possible. She noted that there can be a significant review period after submission to the ESA branch for permitting requirements.

KB advised the forms are already being completed and will be submitted shortly. TB said the MNR's SAR Biologist will list the species that need to be covered in relation to the Big Eddy site.

Big Eddy Call

May 15, 2013

Action items and commitments

ACTION: CG to provide Nava with policy/ guidance, reflecting minimum flow requirements in bypass reaches.

ACTION: Xeneca will use the upstream water gauge of Canada and install a flow monitoring device downstream of the Big Eddy Tailrace as part of the Xeneca's reporting and compliance efforts.

ACTION: Xeneca will provide greater detail on how ramping will occur and explain how project design and turbine choice will provide design flexibility in achieving run of river flows.

ACTION: KB will provide an assessment of where sturgeon could potentially lay eggs under spawning flows and determine how much flows could be reduced without harming eggs during incubation and hatch/ KB will provide results and discuss with TB and JS.

June 10, 2010

Ontario Regional Office
Canadian Environmental Assessment Agency
22nd Floor, Place Bell
160 Elgin Street
Ottawa ON K1A 0H3

To whom it may concern,

As you may be aware, Xeneca Power Development Inc. has been awarded 19 Feed in Tariff contracts by the Ontario Power Authority ("OPA") to purchase water generated renewable power. Listed below are the sites within the Province of Ontario:

Allen & Struthers – MNR site # 2DB13, 2DB14 on the Wanapitei River
Cascade Falls – MNR site # 2CF09 on the Vermillion River
At Soo Crossing – MNR site # 2CF11 on the Vermillion River
Wabageshik – MNR site # 2CF12 on the Vermillion River
McPherson Falls – MNR site # 2CF46, 2CF47 on the Vermillion River
Four Slide Falls – MNR site # 2CD14 on the Serpent River
McCarthy Chute – MNR site # 2CD15 on the Serpent River
Near North Boundary – MNR site #4LF09 on the Kapuskasing River
Middle Twp. Buchan – MNR site # 4LF05 on the Kapuskasing River
Lapinigam Rapids – MNR site #4LE03 on the Kapuskasing River
Outlet Kapuskasing Lake – MNR site #4LE01 on the Kapuskasing River
Ivanhoe: Third Falls – MNR site # 4LC17 on the Ivanhoe River
Ivanhoe: The Chute – MNR site # 4LC18 on the Ivanhoe River
Wanatango Falls – MNR site # 4MD02 on the Frederick House River
Larder & Raven – MNR site # 2JC21, 2JC22 on the Larder River
Marter Twp. – MNR site #2JC16, 2JC17 on the Blanche River
Big Eddy – MNR site # 2KB21 on the Petawawa River
Half Mile Rapids (at CFB Petawawa) on the Petawawa River

An attached map provided on CD will help to further identify the site locations for each of the projects. Additionally, included in this package is a draft of the Notice of Commencement under the Class EA for Waterpower Projects which will be issued shortly, as well as descriptions of the projects listed above.

This letter is intended to notify your agency of the pending projects and invite agency comment and/or participation where applicable.



Upon review, you may be aware the OPA schedule will prove challenging to both Xeneca and the affected government agencies, as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we are requesting the following:

- CEAA's acknowledgement of receipt of this notice.
- Indication if CEAA intends to comment on some, or all of the projects. If CEAA intends to participate, please indicate the appropriate agency personnel who will handle the Xeneca project files.
- A CEAA list of any known issues, concerns and/or comments with respect to the projects, as well as any known non-government stakeholders whom may have interest in these projects.

Please note Xeneca is prepared to meet with CEAA by teleconference to discuss any issues, and requests to be advised of any permits CEAA may require from Xeneca and/or its consultants in order to complete CEAA policy and procedures.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick Gillette", is written over a light blue horizontal line.

Patrick Gillette
President and COO
Xeneca Power Development LP

June 10, 2010

Department of Fisheries and Oceans Canada
Prescott Division
401 King Street West
Prescott, ON K0E 1T0

To whom it may concern,

As you may be aware, Xeneca Power Development Inc. has been awarded 19 Feed in Tariff contracts by the Ontario Power Authority ("OPA") to purchase water generated renewable power. The following sites are believed to be within your jurisdiction:

**Big Eddy – MNR site # 2KB21 on the Petawawa River
Half Mile Rapids (at CFB Petawawa) on the Petawawa River**

An attached map provided on CD will help to further identify the site locations for each of the projects. Additionally, included in this package is a draft of the Notice of Commencement under the Class EA for Waterpower Projects which will be issued shortly, as well as descriptions of the projects listed above.

This letter is intended to notify your agency of the pending projects and invite agency comment and/or participation where applicable.

Upon review, you may be aware the OPA schedule will prove challenging to both Xeneca and the affected government agencies, as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we are requesting the following:

- Department of Fisheries and Oceans Canada's ("DFO") acknowledgement of receipt of this notice.
- Indication if the DFO intends to comment on some, or all of the projects. If the DFO intends to participate, please indicate the appropriate agency personnel who will handle the Xeneca project files.
- A DFO list of any known issues, concerns and/or comments with respect to the projects, as well as any known non-government stakeholders whom may have interest in these projects.



Please note Xeneca is prepared to meet with the DFO by teleconference to discuss any issues, and requests to be advised of any permits the DFO may require from Xeneca and/or its consultants in order to complete the DFO policy and procedures.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick Gillette", is written over a light blue horizontal line.

Patrick Gillette
President and COO
Xeneca Power Development LP



Fisheries and Oceans
Canada

Pêches et Océans
Canada

Ontario Great Lakes Area
Prescott Office

Secteur de l'Ontario et des Grand Lacs
Bureau de Prescott

401 King St. West
P.O. Box 1000
Prescott, Ontario
K0E 1T0

401 Rue King Ouest
C.P. Box 1000
Prescott, Ontario
K0E 1T0

*pls file
Halfmile ->
Big Eddy*

October 5, 2010

Your file Votre référence

Our file Notre référence
PR-09-2723
PR-08-0709

Mark Holmes
Vice President - Corporate Affairs
Xeneca Power Development Inc.
5160 Yonge St., Suite 520
Toronto, ON M2N 6L9

RECEIVED
OCT 15 2010

Dear Mr. Holmes:

Subject: Fish Passage requirements for Half Mile Rapids and Big Eddy Rapids
Hydroelectric Projects on the Petawawa River.

Further to our meeting on August 6, 2010, DFO has made a determination regarding fish passage requirements for your proposals on the Petawawa River.

After discussing this issue with my counterparts at the Ministry of Natural Resources (MNR), the managers of the fisheries in Ontario, we can see no reason why these areas present any form of natural barrier to fish movement. As such passage should be maintained. This includes American Eel, Lake Sturgeon, Northern Pike, and Walleye.

Your question regarding introducing Northern Pike into an area with an established Muskellunge population is a valid point. However, after having discussions with the MNR, it has been concluded that since passage already exists, maintenance of this would not pose any concerns to either fish habitat management or fisheries management.

As per the meeting of August 6, 2010, the federal agencies await submission of the detailed project description in order to proceed with scoping and review under an Environmental Assessment. This project description should now also include fish passage.

If you have any questions please contact the undersigned at 613-925-2865 ext 114, by fax at 613-925-2245, or by email at mark.scott@dfo-mpo.gc.ca.



Yours sincerely,

A handwritten signature in blue ink, appearing to read "M. Scott", with a long horizontal flourish extending to the right.

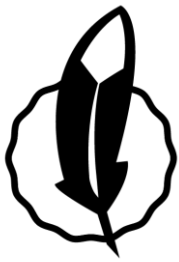
Mark Scott
Fish Habitat Biologist

CC:

Michelle Perry - CFB Petawawa

Amy Liu – CEAA

Joanna Samson – MNR Pembroke



Algonquins of Ontario

June 13, 2011

Fisheries and Oceans Canada
Ontario Great Lakes Prescott Office
401 King Street West
P.O. Box 1000
Prescott, Ontario K0E 1T0

Attention: Mark Scott, Fish Habitat Biologist

RE: Proposed Water Power Developments
Big Eddy Rapids, Petawawa River (CP 189-2)
and Half Mile Rapids, Petawawa River (CP 189-3)
Our File No. 2107378F

Dear Sir:

As part of our initial consultation with Xeneca Power Inc. the Algonquins of Ontario (AOO) have been provided with a copy of your letter to Mark Holmes, Vice President, Corporate Affairs dated October 5, 2010 (copy attached for your convenience).

This letter is to advise that the American Eel and Lake Sturgeon have special cultural and spiritual significance to the Algonquin people and as such the AOO, in addition to our normal consultation process, will be very carefully monitoring the proponent's submission with regard to protection of habitat and migration/ passage of these species.

We look forward to discussing this matter further as the consultation process between Xeneca Power Inc. and the Algonquins of Ontario advances.

Yours very truly,
Algonquins of Ontario


J. E. Hunton, MCIP, RPP
Technical Advisor

JEH/lr

Attachment: Letter Oct. 5, 2010 Mark Scott, DFO to Mark Holmes, Xeneca

- c.c.
- Algonquin Negotiation Representatives
 - R. J. Potts, Principal Negotiator
 - Janet Stavinga, Executive Director, Algonquins of Ontario
 - Mark Holmes, Vice President, Xeneca Power Inc.
 - Joanna Samson, Water Resources Coordinator, MNR Pembroke
 - Michelle Perry, CFB Petawawa Environment Officer



Fisheries and Oceans
Canada

Pêches et Océans
Canada

Ontario Great Lakes Area
Prescott Office

Secteur de l'Ontario et des Grand Lacs
Bureau de Prescott

401 King St. West
P.O. Box 1000
Prescott, Ontario
K0E 1T0

401 Rue King Ouest
C.P. Box 1000
Prescott, Ontario
K0E 1T0

4

October 5, 2010

Your file *Voire référence*

Our file *Notre référence*

PR-09-2723

PR-08-0709

Mark Holmes
Vice President - Corporate Affairs
Xeneca Power Development Inc.
5160 Yonge St., Suite 520
Toronto, ON M2N 6L9

Dear Mr. Holmes:

Subject: Fish Passage requirements for Half Mile Rapids and Big Eddy Rapids hydroelectric Projects on the Petawawa River.

Further to our meeting on August 6, 2010, DFO has made a determination regarding fish passage requirements for your proposals on the Petawawa River.

After discussing this issue with my counterparts at the Ministry of Natural Resources (MNR), the managers of the fisheries in Ontario, we can see no reason why these areas present any form of natural barrier to fish movement. As such passage should be maintained. This includes American Eel, Lake Sturgeon, Northern Pike, and Walleye.

Your question regarding introducing Northern Pike into an area with an established Muskellunge population is a valid point. However, after having discussions with the MNR, it has been concluded that since passage already exists, maintenance of this would not pose any concerns to either fish habitat management or fisheries management.

As per the meeting of August 6, 2010, the federal agencies await submission of the detailed project description in order to proceed with scoping and review under an Environmental Assessment. This project description should now also include fish passage.

If you have any questions please contact the undersigned at 613-925-2865 ext 114, by fax at 613-925-2245, or by email at mark.scott@dfo-mpo.gc.ca.

Canada

1/2

Yours sincerely,

Mark Scott
Fish Habitat Biologist

CC:
Michelle Perry - CFB Petawawa
Amy Liu – CEEA
Joanna Samson – MNR Pembroke

October 28, 2011

Patrick Gillette, President
Xeneca Power Development Inc.
5255 Yonge Street, Suite 1200
Toronto, Ontario M2N 6P4

Dear Mr. Gillette:

Subject: Aboriginal Consultation Direction for Xeneca Hydroelectric Generation Station Projects - Ivanhoe River: Third Falls and The Chute; Frederick House River: Wanatango Falls; Serpent River: Four Slide Falls and McCarthy Chute; Petawawa River: Big Eddy and Half-Mile Rapids; Kapuskasing River: Kapuskasing Lake Outlet, Lapinagam Rapids, Middle Township Buchan and Near North Boundary; Larder River: Larder & Raven; Blanche River: Marter Township; Wanapitei River: Allen & Struthers; Vermilion River: Wabagishik Rapids (**the “Projects”**)

This letter is in regard to the hydroelectric power development proposals under subject reference (the “Projects”) that Transport Canada (“TC”), Fisheries and Oceans Canada (“DFO”), National Defence (“DND”) and Aboriginal Affairs and Northern Development Canada (“AANDC”) [“Responsible Authorities” or “RAs”] have received to date from Xeneca Power Development Inc. (“Xeneca”). As you are aware, federal environmental assessments pursuant to the *Canadian Environmental Assessment Act* (“CEAA”) are currently ongoing for the Projects.

As a result of regulatory roles in the Projects, RAs are obliged to ensure that Aboriginal groups whose potential or established Aboriginal or treaty rights may be adversely affected by the Projects are adequately consulted and, where appropriate, accommodated. Further, as part of CEAA responsibilities, RAs are required to consider effects of any change to the environment caused by the Projects on the current use of lands and resources for traditional purposes by Aboriginal peoples.

While responsibility to ensure that potentially affected Aboriginal groups have been adequately consulted with rests with the Crown, procedural aspects of consultation processes are often delegated to project proponents. Project proponents are typically best-suited to speak to technical and environmental aspects of their projects, and where appropriate, are best-placed to address concerns raised by Aboriginal groups about the potential impacts of their projects.

By way of this letter the RAs are delegating to Xeneca the procedural aspects of consultation with Aboriginal groups in connection with the Projects. In order to ensure careful consideration of consultation roles and details, project-specific consultation plans must be prepared by Xeneca in collaboration with the RAs, and committed to by Xeneca. The RAs request that draft project-specific Aboriginal consultation plans be submitted by Xeneca for review and approval **on or before November 25, 2011** to the respective Federal Environmental Assessment

Coordinator (FEAC) for each project. FEACs (contact information under Annex “A”) will coordinate review of project-specific consultation plans by respective project RAs.

At minimum, in order to satisfy federal Crown requirements, project-specific consultation plans should include provisions for the following:

1. Providing each Aboriginal group with information about each project which has been identified as potentially impacting their group. This includes sharing information relating to technical and environmental aspects of the project (e.g. draft screening reports, habitat compensation plans, etc.) in a timely manner in order to enable those groups to identify potential adverse impacts and to raise relevant concerns. At a minimum, a copy of the project description should be provided to each Aboriginal group.
2. Providing each Aboriginal group with information about the federal Government’s role(s) with respect to each project which has been identified as potentially impacting that group, including potential and confirmed regulatory authorizations.
3. Requesting the following information from Aboriginal groups, regarding each project which has been identified as potentially impacting that group:
 - a. current use of lands and resources for traditional purposes at or near the project site and information as to how the proposed project might impact those uses; and,
 - b. information as to potential adverse impacts of the project on potential or established Aboriginal or treaty rights, or claim to Aboriginal title. This includes but is not limited to: potential adverse impacts of regulatory authorizations or associated with land agreements.
4. Affording each Aboriginal group a reasonable opportunity to submit questions, comments or concerns regarding each project which has been identified as potentially impacting that group.
5. In consultation with the RAs, responding in a timely and meaningful fashion to any questions, comments or concerns raised by Aboriginal groups.
6. Keeping a record of all communications, meeting minutes, notes of telephone conversations and documents sent to and received from Aboriginal groups consulted in connection with each project and supplying a copy of such record to the RAs along with any updates as the consultation process progresses for each project.
7. Maintaining an Issues Tracking Table consistent with or similar to the template attached to this letter as Annex “B”, and supplying a copy of such table to the RAs, along with any updates, as the consultation process progresses. This includes providing the RAs with a summary report at the end of consultations, including a summary of consultations, what issues were raised, how the issues were dealt with and any mitigation or accommodations that are planned.
8. Undertaking such additional steps as the RAs may request from time to time in furtherance of any consultation process undertaken in connection with any project under reference.

The consultation plans must identify Aboriginal groups that may be affected by the respective project, and should detail how those groups were identified. In addition to the consultation plan in general, the list of potentially affected Aboriginal groups for each project must be reviewed and approved by the RAs. Please note that the RAs have reviewed the list of Aboriginal groups that were identified in Xeneca’s project description documents for each respective project and have identified additional Aboriginal groups that may be affected. For each project under reference, a list of Aboriginal groups identified to date by the RAs as having potential to be affected by the respective project is attached to this letter as Annex “C”. Please ensure that all

groups on these lists are included in the respective draft project consultation plans. The lists provided in Annex "C" may be refined as consultation plans are developed, and the RAs may add additional parties to the lists from time to time, as required.

The RAs understand that Xeneca has prepared Aboriginal consultation plans for some projects as part of the provincial Class Environmental Assessment (Class EA) process and that those plans may include provisions for some of the above-listed federal requirements. With the interest of maintaining coordination to the extent possible between federal and provincial processes, the RAs recommend that Xeneca revise the existing provincial Class EA Aboriginal consultation plans to incorporate all of the above-listed federal requirements, and submit those revised plan (where applicable) for review and approval.

While procedural aspects of consultation are being delegated to Xeneca, the RAs ultimately remain responsible for delivery of consultation in connection with the Projects, including supervising the implementation of consultation plans and monitoring implementation of mitigation and accommodation measures arising from the process. If, at any time during the consultation process, gaps are detected in any of the consultation plans, the RAs may suggest measures to Xeneca to close such gaps. Decisions regarding whether or not the consultation process is complete or whether or not there are gaps that need to be addressed will remain at the discretion of the RAs.

The RAs look forward to working in cooperation with Xeneca regarding the above. We ask that Xeneca please indicate their agreement to fulfill the process described above in written reply to both of the undersigned on or before **November 10, 2011**, with draft project-specific plans to follow by **November 25, 2011**, as requested above. Please do not hesitate to contact either of the undersigned directly if you have any questions.

Sincerely,
FISHERIES & OCEANS CANADA



Carl Jorgensen
Fish Habitat Team Leader
Telephone: (705) 522-8524
e-mail: carl.jorgensen@dfo-mpo.gc.ca

TRANSPORT CANADA



Lisa McDonald
Environmental Officer
Telephone: (416) 952-0475
e-mail: lisa.mcdonald@tc.gc.ca

CJ/LM/lm

C.c. list:

- i. **Transport Canada** - Jennifer Hughes, Haya Finan, Devon Smith
- ii. **Canadian Environmental Assessment Agency** - Stephanie Davis, Amy Liu, Dan McDonell
- iii. **Department of National Defense** - Michelle Perry
- iv. **Fisheries and Oceans Canada** - Kelly Eggers, Rich Rudolph, Jennifer Hallett, Alan Rowlinson
- v. **Aboriginal Affairs and Northern Development Canada** – Christopher Morton
- vi. **Canadian Transportation Agency** - John Woodward

ANNEX “A”

Project	Federal Environmental Assessment Coordinator (FEAC)
Ivanhoe River: Third Falls	Dan McDonell , Project Manager Canadian Environmental Assessment Agency P: 416-954-7357 E: dan.mcdonell@ceaa-acee.gc.ca
Ivanhoe River: The Chute	Dan McDonell (as above)
Frederick House River: Wanatango Falls	Stephanie Davis , Project Manager Canadian Environmental Assessment Agency P: 416.954.7334 E: stephanie.davis@ceaa-acee.gc.ca
Serpent River: Four Slide Falls	Dan McDonell (as above)
Serpent River: McCarthy Chute	Dan McDonell (as above)
Petawawa River: Big Eddy	Amy Liu , Project Manager Canadian Environmental Assessment Agency P: 416.952.1585 E: amy.liu@ceaa-acee.gc.ca
Petawawa River: Half-Mile Rapids	Michelle Perry , Base Environment Officer Department of National Defense P: 613.687.5511 ext. 6572 E: michelle.perry@forces.gc.ca
Kapuskasing River: Kapuskasing Lake Outlet, Lapinagam Rapids, Middle Township Buchan and Near North Boundary	Dan McDonell (as above)
Larder River: Larder & Raven	Stephanie Davis (as above)
Blanche River: Marter Township	Stephanie Davis (as above)
Wanapitei River: Allen & Struthers	Stephanie Davis (as above)
Vermilion River: Wabagishik Rapids	Stephanie Davis (as above)

ANNEX “B”

DRAFT ABORIGINAL ISSUES TRACKING TABLE

PROJECT NAME:

ABORIGINAL GROUP(S):

DATE: *(modify as table is updated)*

ISSUE/CONCERN RAISED	NATURE, SOURCE and CONTENT OF RIGHTS	RESPONSE	COMMENTS	Issue STATUS
<p>State the issue/concern raised, by whom it was raised and when.</p> <p>Provide a description of any projected environmental effects of the project relating to the issue/concern.</p>	<p>Indicate the nature (e.g. asserted Aboriginal right, treaty right, title), source (e.g. specific treaty) and content of any rights in question.</p>	<p>Describe measures undertaken to mitigate/eliminate project effects and reference where these measures are documented.</p> <p>Specify if further consultation has taken place to address this issue/concern (e.g. meetings, information sessions etc) including dates.</p> <p>Explain either how the concern is addressed by the response, or explain the rationale for why the concern does not need to be addressed.</p> <p>Specify if the issue/concern was beyond federal EA jurisdiction and if measures were taken to notify appropriate jurisdiction (e.g. Province).</p>	<p>This column can be used for any additional clarifications judged relevant. For example:</p> <ul style="list-style-type: none"> - to explain why certain actions were not taken - to explain complicating factors, sensitivities, etc. 	<p>Indicate level of attention this issue currently requires For example:</p> <ul style="list-style-type: none"> - Resolved, no further action required - Ongoing (indicate when the issue will be dealt with (e.g. prior to EA completion, at regulatory stage, etc.) - Irresolvable

ANNEX “C”

Project	Aboriginal Groups to be Consulted
Ivanhoe River: Third Falls	<ul style="list-style-type: none"> - Taykwa Tagamou Nation - Mattagami First Nation - Flying Post First Nation - Wabun Tribal Council - Métis Nation of Ontario - Chapleau Cree (Fox Lake Reserve) First Nation - Chapleau Ojibway First Nation - Brunswick House First Nation
Ivanhoe River: The Chute	<ul style="list-style-type: none"> - Taykwa Tagamou Nation - Mattagami First Nation - Flying Post First Nation - Wabun Tribal Council - Métis Nation of Ontario - Chapleau Cree (Fox Lake Reserve) First Nation - Chapleau Ojibway First Nation - Brunswick House First Nation
Frederick House River: Wanatango Falls	<ul style="list-style-type: none"> - Taykwa Tagamou Nation - Mattagami First Nation - Matachewan First Nation - Wahgoshig First Nation - Flying Post First Nation - Wabun Tribal Council - Métis Nation of Ontario - Conseil de la Première Nation Abitibiwinni *
Serpent River: Four Slide Falls	<ul style="list-style-type: none"> - Serpent River First Nation - Mississauga First Nation - Sagamok First Nation - Métis Nation of Ontario
Serpent River: McCarthy Chute	<ul style="list-style-type: none"> - Serpent River First Nation - Mississauga First Nation - Sagamok First Nation - Métis Nation of Ontario
Petawawa River: Big Eddy	<ul style="list-style-type: none"> - Algonquins of Ontario - Métis Nation of Ontario - Algonquin Anishinabeg Nation Tribal Council * - Algonquins of Pikwàkanagàn * (<i>Note: Algonquins of Pikwakanagan are part of the Algonquins of Ontario</i>)

* Groups identified by the RAs as having the potential to be affected by the project, that were not identified by Xeneca in the respective Project Description

Project	Aboriginal Groups to be Consulted
Petawawa River: Half-Mile Rapids	<ul style="list-style-type: none"> - Algonquins of Ontario - Métis Nation of Ontario - Algonquin Anishinabeg Nation Tribal Council * - Algonquins of Pikwàkanagàn * (<i>Note: Algonquins of Pikwakanagan are part of the Algonquins of Ontario</i>)
Kapuskasing River: Kapuskasing Lake Outlet, Lapinagam Rapids, Middle Township Buchan and Near North Boundary	<ul style="list-style-type: none"> - Brunswick House First Nation (Dusk Lake and Mountbatten) - Flying Post First Nation - Chapleau Cree First Nation - Chapleau Ojibway First Nation - Moose Cree First Nation - Taykwa Tagamou First Nation - Métis Nation of Ontario - Michipicoten First Nation - Constance Lake First Nation - Wabu Tribal Council - Mushkegowuk Council - Kapuskasing Indian Friendship Centre - Mattagami First Nation *
Larder River: Larder & Raven	<ul style="list-style-type: none"> - Matachewan First Nation - Beaverhouse First Nation - Wabun Tribal Council - Métis Nation of Ontario - Algonquin Anishinabeg Nation Tribal Council * - Algonquin Nation Secretariat * - Wahgoshig First Nation *
Blanche River: Marter Township	<ul style="list-style-type: none"> - Beaverhouse First Nation - Matachewan First Nation - Métis Nation of Ontario - Temagami First Nation * - Timiskaming First Nation *

* Groups identified by the RAs as having the potential to be affected by the project, that were not identified by Xeneca in the respective Project Description

Project	Aboriginal Groups to be Consulted
Wanapitei River: Allen & Struthers	<ul style="list-style-type: none"> - Dokis First Nation - Wikwemikong Unceded First Nation - Henvey Inlet First Nation - Sagamok First Nation - Whitefish Lake First Nation - Wahnapiatae First Nation - North Channel Métis Council - Sudbury Métis Council - Sheguiandah First Nation * - Aundeck-omni-kaning (Sucker Creek) First Nation * - United Chiefs and Councils of Mnidoo Mnising * - Whitefish River First Nation * - Nipissing First Nation * - Magnetawan First Nation * - Naiscouting/Shawanaga First Nation *
Vermilion River: Wabagishik Rapids	<ul style="list-style-type: none"> - Sagamok First Nation - Whitefish River First Nation - Wahnapiatae First Nation - Whitefish Lake First Nation - North Channel Métis Council - Sudbury Métis Council - Wikewemikong Unceded First Nation (located at Point Grondine Indian Reserve No. 3) * - Serpent River First Nation * - Aundeck-omni-kaning (Sucker Creek) First Nation * - M'Chigeeng First Nation * - Sheguiandah First Nation * - United Chiefs and Councils of Mnidoo Mnising *

* Groups identified by the RAs as having the potential to be affected by the project, that were not identified by Xeneca in the respective Project Description



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

November 18, 2011

By Electronic Mail to: carl.jorgensen@dfo-mpo.gc.ca and lisa.mcdonald@tc.gc.ca

Transportation Canada
Programs Branch
Environmental and Engineering
4900 Yonge Street, 4th Floor (PHE)
Toronto, Ontario
M2N 6A5

Attn: Ms Lisa McDonald

Fisheries and Oceans Canada
Ontario – Great Lakes Area
Sudbury District Office
Unit 11, 1500 Paris Street
Sudbury, Ontario
P3E 3B8

Attn: Mr. Carl Jorgensen

Dear Ms McDonald and Mr. Jorgensen:

**Re: Aboriginal Consultation Direction for Xeneca Hydroelectric Generation Station Projects -
Ivanhoe River: Third Falls and The Chute; Frederick House River: Wanatango Falls; Serpent
River: Four Slide Falls and McCarthy Chute; Petawawa River: Big Eddy and Half-Mile Rapids;
Kapusking River: Kapuskasing Lake Outlet, Lapinigam Rapids, Middle Township Buchan and
Near North Boundary; Larder River: Larder & Raven; Blanche River: Marter Township;
Wanapitie River: Allen & Struthers; Vermilion River: Wabageshik Rapids, At Soo Crossing,
Cascade Fall and McPherson Fall (the "Projects")**

Thank you for your joint letter of October 28, 2011 address to our President and Chief Operating Officer, Patrick Gillette. I apologize for the delay in responding to your initial request contained within your joint letter.

This is to confirm that Xeneca will be providing a response to your letter contained therein as expeditiously as possible. We will make best efforts to provide a response by the requested November 25, 2011 date. If it is not possible, we may request a short extension of time.

.../2



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

If there are any concerns regarding this, please advise the undersigned forthwith.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Arnold Chan', written over a blue horizontal line.

Arnold Chan
Vice-President, Legal Affairs

- c. Patrick Gillette
- Dean Assinewe
- Ed Laratta
- Don Chubbuck
- Grace Yu



Fisheries and Oceans Canada
401 King Street West
Prescott, Ontario
K0E 1T0

Our file Notre référence

July 12, 2012

Uwe Roeper,
Chief Executive Officer
Xeneca Power Development Inc.
5255 Yonge Street,
Suite 1200, Toronto, ON
M2N 6P4

Subject: Ivanhoe River: Third Falls and The Chute; Frederick House River: Wanatango Falls; Serpent River: Four Slide Falls and McCarthy Chute; Petawawa River: Big Eddy and Half-Mile; Kapuskasing River: Kapuskasing Lake Outlet, Lapinagam Rapids, Middle Township Buchan and Near North Boundary; Larder River: Larder & Raven; Blanche River: Marter Township; Wanapitei River: Allen & Struthers; Vermilion River: Wabagishik Rapids (“the Projects”) - The *Canadian Environmental Assessment Act, 2012*.

Mr. Roeper,

As part of the Government’s plan for Responsible Resource Development, which seeks to modernize the regulatory system for project reviews, the *Canadian Environmental Assessment Act* (S.C. 1992, c. 37) was repealed when the *Canadian Environmental Assessment Act, 2012 (CEAA 2012)* came into force.

Please be advised that environmental assessments for the hydro projects listed in the subject line are no longer required as a result of *CEAA 2012*. All other applicable legislative, regulatory and constitutional requirements still must be fulfilled.

While federal environmental assessments are no longer required in relation to the projects, *CEAA 2012* does include provisions and requirements for projects that involve federal lands (e.g. Big Eddy). Transport Canada, Fisheries and Oceans Canada, Department of National Defense and/or Aboriginal Affairs and Northern Development may contact you should we require information in order to fulfill our requirements.

The information related to the projects that was available on the Canadian Environmental Assessment Registry can be accessed through the Canadian Environmental Assessment Archives (<http://www.ceaa.gc.ca/052/index-eng.cfm>).

For further information concerning *CEAA 2012*, please refer to information on the Canadian Environmental Assessment Agency’s Internet site at www.ceaa-acee.gc.ca.

Canada

If you have any questions please contact me at (613) 925-2865 ext. 117, by fax at (613) 925-2445, or by email at Rich.Rudolph@dfo-mpo.gc.ca.

Sincerely,



Rich Rudolph
Environmental Assessment Analyst
Eastern Ontario District

cc: eainfo@oel-hydrosis.ca
Lisa McDonald, Transport Canada
Michelle Perry, Department of National Defense
Christopher Morton, Aboriginal Affairs and Northern Development Canada
John Woodward, Canadian Transportation Agency
Angela Donato, Natural Resources Canada
Caitlin Scott, Natural Resources Canada
Sheryl Lusk, Environment Canada
Karen Blackbourn, Parks Canada
Kitty Ma, Health Canada
Katherine Hess, Health Canada
Melanie Lalani, Health Canada
Darla Cameron, Canadian Environmental Assessment Agency
Paula Allen, Ministry of Environment
Christine Greenaway, Ministry of Natural Resources
Joanna Samson, Ministry of Natural Resources



June 10, 2010

Transport Canada
Environmental Services
4900 Yonge Street, Suite 400
Toronto, ON M2N 6A5

To whom it may concern,

As you may be aware, Xeneca Power Development Inc. has been awarded 19 Feed in Tariff contracts by the Ontario Power Authority ("OPA") to purchase water generated renewable power. Listed below are the sites within the Province of Ontario:

Allen & Struthers – MNR site # 2DB13, 2DB14 on the Wanapitei River
Cascade Falls – MNR site # 2CF09 on the Vermillion River
At Soo Crossing – MNR site # 2CF11 on the Vermillion River
Wabageshik – MNR site # 2CF12 on the Vermillion River
McPherson Falls – MNR site # 2CF46, 2CF47 on the Vermillion River
Four Slide Falls – MNR site # 2CD14 on the Serpent River
McCarthy Chute – MNR site # 2CD15 on the Serpent River
Near North Boundary – MNR site # 4LF09 on the Kapuskasing River
Middle Twp. Buchan – MNR site # 4LF05 on the Kapuskasing River
Lapinigam Rapids – MNR site # 4LE03 on the Kapuskasing River
Outlet Kapuskasing Lake – MNR site # 4LE01 on the Kapuskasing River
Ivanhoe: Third Falls – MNR site # 4LC17 on the Ivanhoe River
Ivanhoe: The Chute – MNR site # 4LC18 on the Ivanhoe River
Wanatango Falls – MNR site # 4MD02 on the Frederick House River
Larder & Raven – MNR site # 2JC21, 2JC22 on the Larder River
Marter Twp. – MNR site # 2JC16, 2JC17 on the Blanche River
Big Eddy – MNR site # 2KB21 on the Petawawa River
Half Mile Rapids (at CFB Petawawa) on the Petawawa River

An attached map provided on CD will help to further identify the site locations for each of the projects. Additionally, included in this package is a draft of the Notice of Commencement under the Class EA for Waterpower Projects which will be issued shortly, as well as descriptions of the projects listed above.

This letter is intended to notify your agency of the pending projects and invite agency comment and/or participation where applicable.



Upon review, you may be aware the OPA schedule will prove challenging to both Xeneca and the affected government agencies, as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we are requesting the following:

- Transport Canada's acknowledgement of receipt of this notice.
- Indication if Transport Canada intends to comment on some, or all of the projects. If Transport Canada intends to participate, please indicate the appropriate agency personnel who will handle the Xeneca project files.
- A Transport Canada list of any known issues, concerns and/or comments with respect to the projects, as well as any known non-government stakeholders whom may have interest in these projects.

Please note Xeneca is prepared to meet with Transport Canada by teleconference to discuss any issues, and requests to be advised of any permits Transport Canada may require from Xeneca and/or its consultants in order to complete Transport Canada policy and procedures.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick Gillette", is written over a horizontal line.

Patrick Gillette
President and COO
Xeneca Power Development LP

October 28, 2011

Patrick Gillette, President
Xeneca Power Development Inc.
5255 Yonge Street, Suite 1200
Toronto, Ontario M2N 6P4

Dear Mr. Gillette:

Subject: Aboriginal Consultation Direction for Xeneca Hydroelectric Generation Station Projects - Ivanhoe River: Third Falls and The Chute; Frederick House River: Wanatango Falls; Serpent River: Four Slide Falls and McCarthy Chute; Petawawa River: Big Eddy and Half-Mile Rapids; Kapuskasing River: Kapuskasing Lake Outlet, Lapinagam Rapids, Middle Township Buchan and Near North Boundary; Larder River: Larder & Raven; Blanche River: Marter Township; Wanapitei River: Allen & Struthers; Vermilion River: Wabagishik Rapids (**the “Projects”**)

This letter is in regard to the hydroelectric power development proposals under subject reference (the “Projects”) that Transport Canada (“TC”), Fisheries and Oceans Canada (“DFO”), National Defence (“DND”) and Aboriginal Affairs and Northern Development Canada (“AANDC”) [“Responsible Authorities” or “RAs”] have received to date from Xeneca Power Development Inc. (“Xeneca”). As you are aware, federal environmental assessments pursuant to the *Canadian Environmental Assessment Act* (“CEAA”) are currently ongoing for the Projects.

As a result of regulatory roles in the Projects, RAs are obliged to ensure that Aboriginal groups whose potential or established Aboriginal or treaty rights may be adversely affected by the Projects are adequately consulted and, where appropriate, accommodated. Further, as part of CEAA responsibilities, RAs are required to consider effects of any change to the environment caused by the Projects on the current use of lands and resources for traditional purposes by Aboriginal peoples.

While responsibility to ensure that potentially affected Aboriginal groups have been adequately consulted with rests with the Crown, procedural aspects of consultation processes are often delegated to project proponents. Project proponents are typically best-suited to speak to technical and environmental aspects of their projects, and where appropriate, are best-placed to address concerns raised by Aboriginal groups about the potential impacts of their projects.

By way of this letter the RAs are delegating to Xeneca the procedural aspects of consultation with Aboriginal groups in connection with the Projects. In order to ensure careful consideration of consultation roles and details, project-specific consultation plans must be prepared by Xeneca in collaboration with the RAs, and committed to by Xeneca. The RAs request that draft project-specific Aboriginal consultation plans be submitted by Xeneca for review and approval **on or before November 25, 2011** to the respective Federal Environmental Assessment

Coordinator (FEAC) for each project. FEACs (contact information under Annex “A”) will coordinate review of project-specific consultation plans by respective project RAs.

At minimum, in order to satisfy federal Crown requirements, project-specific consultation plans should include provisions for the following:

1. Providing each Aboriginal group with information about each project which has been identified as potentially impacting their group. This includes sharing information relating to technical and environmental aspects of the project (e.g. draft screening reports, habitat compensation plans, etc.) in a timely manner in order to enable those groups to identify potential adverse impacts and to raise relevant concerns. At a minimum, a copy of the project description should be provided to each Aboriginal group.
2. Providing each Aboriginal group with information about the federal Government’s role(s) with respect to each project which has been identified as potentially impacting that group, including potential and confirmed regulatory authorizations.
3. Requesting the following information from Aboriginal groups, regarding each project which has been identified as potentially impacting that group:
 - a. current use of lands and resources for traditional purposes at or near the project site and information as to how the proposed project might impact those uses; and,
 - b. information as to potential adverse impacts of the project on potential or established Aboriginal or treaty rights, or claim to Aboriginal title. This includes but is not limited to: potential adverse impacts of regulatory authorizations or associated with land agreements.
4. Affording each Aboriginal group a reasonable opportunity to submit questions, comments or concerns regarding each project which has been identified as potentially impacting that group.
5. In consultation with the RAs, responding in a timely and meaningful fashion to any questions, comments or concerns raised by Aboriginal groups.
6. Keeping a record of all communications, meeting minutes, notes of telephone conversations and documents sent to and received from Aboriginal groups consulted in connection with each project and supplying a copy of such record to the RAs along with any updates as the consultation process progresses for each project.
7. Maintaining an Issues Tracking Table consistent with or similar to the template attached to this letter as Annex “B”, and supplying a copy of such table to the RAs, along with any updates, as the consultation process progresses. This includes providing the RAs with a summary report at the end of consultations, including a summary of consultations, what issues were raised, how the issues were dealt with and any mitigation or accommodations that are planned.
8. Undertaking such additional steps as the RAs may request from time to time in furtherance of any consultation process undertaken in connection with any project under reference.

The consultation plans must identify Aboriginal groups that may be affected by the respective project, and should detail how those groups were identified. In addition to the consultation plan in general, the list of potentially affected Aboriginal groups for each project must be reviewed and approved by the RAs. Please note that the RAs have reviewed the list of Aboriginal groups that were identified in Xeneca’s project description documents for each respective project and have identified additional Aboriginal groups that may be affected. For each project under reference, a list of Aboriginal groups identified to date by the RAs as having potential to be affected by the respective project is attached to this letter as Annex “C”. Please ensure that all

groups on these lists are included in the respective draft project consultation plans. The lists provided in Annex "C" may be refined as consultation plans are developed, and the RAs may add additional parties to the lists from time to time, as required.

The RAs understand that Xeneca has prepared Aboriginal consultation plans for some projects as part of the provincial Class Environmental Assessment (Class EA) process and that those plans may include provisions for some of the above-listed federal requirements. With the interest of maintaining coordination to the extent possible between federal and provincial processes, the RAs recommend that Xeneca revise the existing provincial Class EA Aboriginal consultation plans to incorporate all of the above-listed federal requirements, and submit those revised plan (where applicable) for review and approval.

While procedural aspects of consultation are being delegated to Xeneca, the RAs ultimately remain responsible for delivery of consultation in connection with the Projects, including supervising the implementation of consultation plans and monitoring implementation of mitigation and accommodation measures arising from the process. If, at any time during the consultation process, gaps are detected in any of the consultation plans, the RAs may suggest measures to Xeneca to close such gaps. Decisions regarding whether or not the consultation process is complete or whether or not there are gaps that need to be addressed will remain at the discretion of the RAs.

The RAs look forward to working in cooperation with Xeneca regarding the above. We ask that Xeneca please indicate their agreement to fulfill the process described above in written reply to both of the undersigned on or before **November 10, 2011**, with draft project-specific plans to follow by **November 25, 2011**, as requested above. Please do not hesitate to contact either of the undersigned directly if you have any questions.

Sincerely,
FISHERIES & OCEANS CANADA



Carl Jorgensen
Fish Habitat Team Leader
Telephone: (705) 522-8524
e-mail: carl.jorgensen@dfo-mpo.gc.ca

TRANSPORT CANADA



Lisa McDonald
Environmental Officer
Telephone: (416) 952-0475
e-mail: lisa.mcdonald@tc.gc.ca

CJ/LM/lm

C.c. list:

- i. **Transport Canada** - Jennifer Hughes, Haya Finan, Devon Smith
- ii. **Canadian Environmental Assessment Agency** - Stephanie Davis, Amy Liu, Dan McDonell
- iii. **Department of National Defense** - Michelle Perry
- iv. **Fisheries and Oceans Canada** - Kelly Eggers, Rich Rudolph, Jennifer Hallett, Alan Rowlinson
- v. **Aboriginal Affairs and Northern Development Canada** – Christopher Morton
- vi. **Canadian Transportation Agency** - John Woodward

ANNEX “A”

Project	Federal Environmental Assessment Coordinator (FEAC)
Ivanhoe River: Third Falls	Dan McDonell , Project Manager Canadian Environmental Assessment Agency P: 416-954-7357 E: dan.mcdonell@ceaa-acee.gc.ca
Ivanhoe River: The Chute	Dan McDonell (as above)
Frederick House River: Wanatango Falls	Stephanie Davis , Project Manager Canadian Environmental Assessment Agency P: 416.954.7334 E: stephanie.davis@ceaa-acee.gc.ca
Serpent River: Four Slide Falls	Dan McDonell (as above)
Serpent River: McCarthy Chute	Dan McDonell (as above)
Petawawa River: Big Eddy	Amy Liu , Project Manager Canadian Environmental Assessment Agency P: 416.952.1585 E: amy.liu@ceaa-acee.gc.ca
Petawawa River: Half-Mile Rapids	Michelle Perry , Base Environment Officer Department of National Defense P: 613.687.5511 ext. 6572 E: michelle.perry@forces.gc.ca
Kapuskasing River: Kapuskasing Lake Outlet, Lapinagam Rapids, Middle Township Buchan and Near North Boundary	Dan McDonell (as above)
Larder River: Larder & Raven	Stephanie Davis (as above)
Blanche River: Marter Township	Stephanie Davis (as above)
Wanapitei River: Allen & Struthers	Stephanie Davis (as above)
Vermilion River: Wabagishik Rapids	Stephanie Davis (as above)

ANNEX “B”

DRAFT ABORIGINAL ISSUES TRACKING TABLE

PROJECT NAME:

ABORIGINAL GROUP(S):

DATE: *(modify as table is updated)*

ISSUE/CONCERN RAISED	NATURE, SOURCE and CONTENT OF RIGHTS	RESPONSE	COMMENTS	Issue STATUS
<p>State the issue/concern raised, by whom it was raised and when.</p> <p>Provide a description of any projected environmental effects of the project relating to the issue/concern.</p>	<p>Indicate the nature (e.g. asserted Aboriginal right, treaty right, title), source (e.g. specific treaty) and content of any rights in question.</p>	<p>Describe measures undertaken to mitigate/eliminate project effects and reference where these measures are documented.</p> <p>Specify if further consultation has taken place to address this issue/concern (e.g. meetings, information sessions etc) including dates.</p> <p>Explain either how the concern is addressed by the response, or explain the rationale for why the concern does not need to be addressed.</p> <p>Specify if the issue/concern was beyond federal EA jurisdiction and if measures were taken to notify appropriate jurisdiction (e.g. Province).</p>	<p>This column can be used for any additional clarifications judged relevant. For example:</p> <ul style="list-style-type: none"> - to explain why certain actions were not taken - to explain complicating factors, sensitivities, etc. 	<p>Indicate level of attention this issue currently requires For example:</p> <ul style="list-style-type: none"> - Resolved, no further action required - Ongoing (indicate when the issue will be dealt with (e.g. prior to EA completion, at regulatory stage, etc.) - Irresolvable

ANNEX “C”

Project	Aboriginal Groups to be Consulted
Ivanhoe River: Third Falls	<ul style="list-style-type: none"> - Taykwa Tagamou Nation - Mattagami First Nation - Flying Post First Nation - Wabun Tribal Council - Métis Nation of Ontario - Chapleau Cree (Fox Lake Reserve) First Nation - Chapleau Ojibway First Nation - Brunswick House First Nation
Ivanhoe River: The Chute	<ul style="list-style-type: none"> - Taykwa Tagamou Nation - Mattagami First Nation - Flying Post First Nation - Wabun Tribal Council - Métis Nation of Ontario - Chapleau Cree (Fox Lake Reserve) First Nation - Chapleau Ojibway First Nation - Brunswick House First Nation
Frederick House River: Wanatango Falls	<ul style="list-style-type: none"> - Taykwa Tagamou Nation - Mattagami First Nation - Matachewan First Nation - Wahgoshig First Nation - Flying Post First Nation - Wabun Tribal Council - Métis Nation of Ontario - Conseil de la Première Nation Abitibiwinni *
Serpent River: Four Slide Falls	<ul style="list-style-type: none"> - Serpent River First Nation - Mississauga First Nation - Sagamok First Nation - Métis Nation of Ontario
Serpent River: McCarthy Chute	<ul style="list-style-type: none"> - Serpent River First Nation - Mississauga First Nation - Sagamok First Nation - Métis Nation of Ontario
Petawawa River: Big Eddy	<ul style="list-style-type: none"> - Algonquins of Ontario - Métis Nation of Ontario - Algonquin Anishinabeg Nation Tribal Council * - Algonquins of Pikwàkanagàn * (<i>Note: Algonquins of Pikwakanagan are part of the Algonquins of Ontario</i>)

* Groups identified by the RAs as having the potential to be affected by the project, that were not identified by Xeneca in the respective Project Description

Project	Aboriginal Groups to be Consulted
Petawawa River: Half-Mile Rapids	<ul style="list-style-type: none"> - Algonquins of Ontario - Métis Nation of Ontario - Algonquin Anishinabeg Nation Tribal Council * - Algonquins of Pikwàkanagàn * (<i>Note: Algonquins of Pikwakanagan are part of the Algonquins of Ontario</i>)
Kapuskasing River: Kapuskasing Lake Outlet, Lapinagam Rapids, Middle Township Buchan and Near North Boundary	<ul style="list-style-type: none"> - Brunswick House First Nation (Dusk Lake and Mountbatten) - Flying Post First Nation - Chapleau Cree First Nation - Chapleau Ojibway First Nation - Moose Cree First Nation - Taykwa Tagamou First Nation - Métis Nation of Ontario - Michipicoten First Nation - Constance Lake First Nation - Wabu Tribal Council - Mushkegowuk Council - Kapuskasing Indian Friendship Centre - Mattagami First Nation *
Larder River: Larder & Raven	<ul style="list-style-type: none"> - Matachewan First Nation - Beaverhouse First Nation - Wabun Tribal Council - Métis Nation of Ontario - Algonquin Anishinabeg Nation Tribal Council * - Algonquin Nation Secretariat * - Wahgoshig First Nation *
Blanche River: Marter Township	<ul style="list-style-type: none"> - Beaverhouse First Nation - Matachewan First Nation - Métis Nation of Ontario - Temagami First Nation * - Timiskaming First Nation *

* Groups identified by the RAs as having the potential to be affected by the project, that were not identified by Xeneca in the respective Project Description

Project	Aboriginal Groups to be Consulted
Wanapitei River: Allen & Struthers	<ul style="list-style-type: none"> - Dokis First Nation - Wikwemikong Unceded First Nation - Henvey Inlet First Nation - Sagamok First Nation - Whitefish Lake First Nation - Wahnapiatae First Nation - North Channel Métis Council - Sudbury Métis Council - Sheguiandah First Nation * - Aundeck-omni-kaning (Sucker Creek) First Nation * - United Chiefs and Councils of Mnidoo Mnising * - Whitefish River First Nation * - Nipissing First Nation * - Magnetawan First Nation * - Naiscouting/Shawanaga First Nation *
Vermilion River: Wabagishik Rapids	<ul style="list-style-type: none"> - Sagamok First Nation - Whitefish River First Nation - Wahnapiatae First Nation - Whitefish Lake First Nation - North Channel Métis Council - Sudbury Métis Council - Wikewemikong Unceded First Nation (located at Point Grondine Indian Reserve No. 3) * - Serpent River First Nation * - Aundeck-omni-kaning (Sucker Creek) First Nation * - M'Chigeeng First Nation * - Sheguiandah First Nation * - United Chiefs and Councils of Mnidoo Mnising *

* Groups identified by the RAs as having the potential to be affected by the project, that were not identified by Xeneca in the respective Project Description



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

November 18, 2011

By Electronic Mail to: carl.jorgensen@dfo-mpo.gc.ca and lisa.mcdonald@tc.gc.ca

Transportation Canada
Programs Branch
Environmental and Engineering
4900 Yonge Street, 4th Floor (PHE)
Toronto, Ontario
M2N 6A5

Attn: Ms Lisa McDonald

Fisheries and Oceans Canada
Ontario – Great Lakes Area
Sudbury District Office
Unit 11, 1500 Paris Street
Sudbury, Ontario
P3E 3B8

Attn: Mr. Carl Jorgensen

Dear Ms McDonald and Mr. Jorgensen:

**Re: Aboriginal Consultation Direction for Xeneca Hydroelectric Generation Station Projects -
Ivanhoe River: Third Falls and The Chute; Frederick House River: Wanatango Falls; Serpent
River: Four Slide Falls and McCarthy Chute; Petawawa River: Big Eddy and Half-Mile Rapids;
Kapusking River: Kapuskasing Lake Outlet, Lapinigam Rapids, Middle Township Buchan and
Near North Boundary; Larder River: Larder & Raven; Blanche River: Marter Township;
Wanapitie River: Allen & Struthers; Vermilion River: Wabageshik Rapids, At Soo Crossing,
Cascade Fall and McPherson Fall (the "Projects")**

Thank you for your joint letter of October 28, 2011 address to our President and Chief Operating Officer, Patrick Gillette. I apologize for the delay in responding to your initial request contained within your joint letter.

This is to confirm that Xeneca will be providing a response to your letter contained therein as expeditiously as possible. We will make best efforts to provide a response by the requested November 25, 2011 date. If it is not possible, we may request a short extension of time.

.../2



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

If there are any concerns regarding this, please advise the undersigned forthwith.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Arnold Chan', written over a blue horizontal line.

Arnold Chan
Vice-President, Legal Affairs

- c. Patrick Gillette
- Dean Assinewe
- Ed Laratta
- Don Chubbuck
- Grace Yu

March 16, 2007

Christopher Cuddy
Director of Water Power
Chief of Land & Water Management
Natural Resources & Environment Branch,
Indian and Northern Affairs Canada
10 Wellington Street
Gatineau, Quebec
K1A 0H4
Tel: (819) 994-7483

Dear Mr. Cuddy:

Re: Application for building of two water power facilities on C.F.B. Petawawa.

On March 9th, 2007, Petawawa Green Electricity Development Inc. (“PGE”) through its consultant Ortech Power (“Ortech”), submitted to Cynthia Binnington, Assistant Deputy Minister (Infrastructure and Environment), Department of National Defense and Canadian Forces (“DND/CF”), a Priority Permit application for waterpower development at two sites on DND/CF land along the Petawawa River, and requested direction on how to proceed.

PGE believes this was a reasonable first step since the Dominion Water Power Regulations do not address the issue of Crown land administrated by DND/CF.

On March 15th, 2007, Cynthia Binnington’s office directed PGE to submit the Priority Permit applications to CFB Petawawa’s Base Commander Lt Col. Rundle, and Base Properties Officer Wayne Quade.

PGE is also submitting copies of the two applications to you at Indian and Northern Affairs Canada (“INAC”) as per the Dominion Water Power Regulations. PGE at this time seeks a Priority Permit as defined under *section 7* of the Dominion Water Power Regulations for two sites on the Petawawa River:

- Half Mile Rapids, a 3 megawatt site; and
- Big Eddy, a 5 megawatt site.

Both sites are on CFB Petawawa lands. Please note, PGE has met with the Town of Petawawa and discussed potential impacts on their adjacent lands and have obtained a Letter of Support (enclosed) from the Town of Petawawa and a resolution from Council.

Based on the inter-departmental nature of this matter it maybe optimal to have the Base Commander of CFB Petawawa or his designate assigned the role of “Director of Water

PETAWAWA GREEN ELECTRICITY DEVELOPMENT INC.

C.O. Ortech Power, 2395 Speakman Drive, Mississauga, Ontario L5K 1B3

Tel: (905) 822-4120

Cell: 416 -697-4004

Fax: (905) 855 - 0406

Power” for these two water power sites on the Petawawa River. Kindly indicate at your earliest convenience if our suggestion is workable.

Thank you for your patience and kind consideration of this matter. Please do not hesitate to contact me with questions or concerns.

Yours very truly,



Patrick W. Gillette
President

c.c. **Cynthia Binnington, Assistant Deputy Minister (Infrastructure and Environment),
Department of National Defense and Canadian Forces (“DND/CF”)**

Lieutenant Colonel DA Rundle, Base Commander, C.F.B. Petawawa

**Wayne Quade, Base Properties Officer, Base Construction Engineers, Canadian Forces
Base/Area Support Unit Petawawa**

Enclosures

PETAWAWA GREEN ELECTRICITY DEVELOPMENT INC.

C.O. Ortech Power. 2395 Speakman Drive, Mississauga, Ontario L5K 1B3

Tel: (905) 822-4120

Cell: 416 -697-4004

Fax: (905) 855 - 0406

April 5, 2007

Mr. Bryan Grey
Senior Analyst, Water Policy
Lands & Water Management
Natural Resources & Environmental Branch
Indian and Northern Affairs Canada
15-25 Eddy Street, 10th Floor
Gatineau, Quebec
K1A 0H4

Dear Mr. Grey:

Re: Application for building of two water power facilities on C.F.B. Petawawa.

As per our discussions on April 5, 2007, Petawawa Green Electricity Development Inc. ("PGE"), a subsidiary of Xeneca Power Development Inc. of Mississauga, Ontario, submits the attached applications based on *section 3* of the Dominion Water Power Regulations, (the "Regulations") related to the potential development of two small water power projects on Canadian Forces Base ("C.F.B.") Petawawa land for the purpose of generating environmentally friendly, renewable electricity.

The applications are for two potential water power sites located along the Petawawa River, Ontario:

- Half Mile Rapids, a 3 megawatt site; and
- Big Eddy at the CNR Bridge ("Big Eddy"), a 5 megawatt site.

Both sites are located within the boundaries of C.F.B. Petawawa. Big Eddy site also adjoins the Town of Petawawa. Separate applications are enclosed for each site.

At this time, PGE seeks a Priority Permit as defined under *section 7* of the Regulations. As contemplated by the regulation: ***"the purpose of the Priority Permit is to obtain a one-year period during which development plans can be prepared for further consideration by the Crown."*** It is understood that a Priority Permit does not bind the Crown to issue further permits. It is also understood that any subsequent development would be subject to other applicable permits, approvals, licenses and public consultation related to environmental regulation, electrical grid connection and construction approvals. If deemed reasonable by the Director of Water Power, PGE is also prepared to proceed quickly to the Interim License stage.

Should this application require public notification under *section 4* of the Regulations, PGE would like to do so without delay and at your earliest convenience.

PETAWAWA GREEN ELECTRICITY DEVELOPMENT INC.

C.O. Ortech Power, 2395 Speakman Drive, Mississauga, Ontario L5K 1B3

Tel: (905) 822-4120

Cell: 416 -697-4004

Fax: (905) 855 - 0406

A survey permit as per *section 5* of the Regulations is not being sought at this time. A survey was duly completed in January 2007 by an accredited land surveyor contracted by PGE. Access to Crown land was arranged through C.F.B. Petawawa. The information obtained during the survey was used to prepare the attached application. The survey can be made available to your office upon request.

As also discussed, on March 9th, 2007, PGE through its consultant Ortech Power (“Ortech”), submitted to Cynthia Binnington, Assistant Deputy Minister (Infrastructure and Environment), Department of National Defence and Canadian Forces (“DND/CF”), this Priority Permit application for waterpower development at two sites on DND/CF land along the Petawawa River, and requested direction on how to proceed. Christopher Cuddy from your office was copied on this submission. PGE believes this was a reasonable first step since the Dominion Water Power Regulations do not address the issue of Crown land administrated by DND/CF. On March 15th, 2007, Cynthia Binnington’s office directed PGE to submit the Priority Permit applications to CFB Petawawa’s Base Commander Lt Col. Rundle, and Base Properties Officer Wayne Quade. For a copy, please refer to the attached letter.

Copies of the application have also been sent to the Town of Petawawa, and the Town of Petawawa has issued a Letter of Support, which is enclosed.

At this stage, PGE wishes to be assigned a Water Power Director (“Director”), and have the Director issue Priority Permits or if deemed reasonable Interim Licenses for the sites. In our conversation, you indicated that if the Dominion Water Power Regulations pertain to these sites, you would assume the role of Director. As you clarify this issue, could you please contact Wayne Quade, CFB Petawawa, Base Properties Officer. Mr. Quade can be reached at 613-687-5511 Ext. 5586.

PGE would like to explore this opportunity while favourable government programs are in place. The issuance of a Priority Permit would be an important first step and provide the basis for conducting the necessary engineering design, environmental assessment and public consultation.

Thank you for your kind consideration, please do not hesitate to contact me with any questions at 905-822-4120, or by e-mail at patrickgillette@sympatico.ca. As discussed, I will follow-up to confirm the status of these applications.

Yours truly,



Patrick W. Gillette
President

- cc. **1. Lieutenant Colonel DA Rundle, Base Commander, C.F.B. Petawawa**
2. Mayor Bob Sweet, Town of Petawawa
3. Mitchell W. Stillman, Chief Administrative Officer, Town Clerk, Town of Petawawa
4. Cyndy Phillips, Economic Development Co-ordinator, Town of Petawawa
5. Wayne Quade, Base Properties Officer, Base Construction Engineers, Canadian Forces Base/Area Support Unit Petawawa

Enclosures

PETAWAWA GREEN ELECTRICITY DEVELOPMENT INC.

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Tel: (905) 822-4120

Cell: 416 -697-4004

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AUG 10 2007

Your file - Votre référence

Our file - Notre référence

Mr. Patrick W. Gillette
President,
Petawawa Green Energy Development Inc.
c/o Ortech Power
2395 Speakman Drive
MISSISSAUGA ON L5K 1B3

Mr. Gillette:

You requested of Bryan Grey of Indian & Northern Affairs Canada (April 5, 2007) that we consider your application for two water power facilities on C.F.B. Petawawa. This request was passed to legal counsel for review, and we were advised to undertake a detailed map exercise with respect to the boundary of the military base.

Mr. Grey has been in touch with you about mapping and you did provide some other maps at better scales, but it was still necessary to prepare some detailed maps that outlined the military base boundary. We are now able to respond to your request with some more certainty.

With respect to "Half Mile Rapids", the submitted plans indicate a project wholly within the Base, and on that basis, I am advised by legal counsel, that the water powers at that location are within the definition of Dominion water-powers, and therefore this application falls within the jurisdiction of the Dominion Water Power Act (DWPA). As such, I am able to consider issuing you a "Priority Permit" under s 7, DWP Regulations.

Because the lands at C.F.B. Petawawa do not constitute undeveloped Crown lands, in that they are used by DND in pursuit of its appropriate departmental mandate, it is proper that the project receive the "blessing" of DND, in order to ensure this proposed development would not interfere with operational or security requirements of the Base. Therefore, before preparing this permit I feel it is necessary to have on file a note from the Base Commander of C.F.B. Petawawa (or the Base Properties Officer with whom you have been dealing) as confirmation that they are willing to cooperate with your company in this project, and that the project will not interfere with military requirements for that part of the Base. I realise you included in the application to INAC some communications from yourself to DND, but we do not have anything from DND in response.

.../2

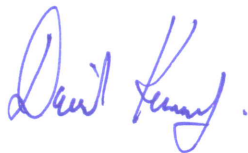
As to the second proposed site at "Big Eddy", the map exercise proved vital. As had been suggested by legal counsel it is essential to consider the southern boundary of the military base in the vicinity of this site. It runs along the northern bank of the Petawawa River, so that the base lies north of the river. Thus, the Big Eddy location within the river falls outside C.F.B. Petawawa, and the water power rights at this site would not fall within federal jurisdiction, under the DWPA. In fact, these hydraulic forces would fall within provincial jurisdiction, and you will need to contact Ontario MNR to obtain the authority to utilize these water power rights.

It should be noted that you are proposing to locate the power house and canal or penstock on federal lands, namely the Base, and it would be necessary to deal with the Base officials and/or DND in order to acquire the necessary land rights to make the project viable.

We look forward to moving forward with the Half Mile Rapids proposal when the required documents have been received. Please send all documentation to:

Bryan Grey
Senior Analyst, water Policy
Land & Water Management
NR&E, NAP
Indian & Northern Affairs Canada
15-25 Eddy, 10th Floor
GATINEAU QC K1A 0H4

Yours sincerely,



David Kennedy
A/Director Land & Water Directorate and
A/Director of Water-power for DWPA
Natural Resources & Environment
Northern Affairs Program

June 10, 2010

Ms. Leigh Jessen
Regional Director General
Indian and Northern Affairs Canada
25 St. Clair Ave East, 8th Floor
Toronto, ON M4T 1M2

Dear Ms. Jessen,

By way of introduction, Xeneca Power Development Inc. is a developer of renewable energy (waterpower) and has recently been awarded 19 Feed in Tariff (FIT) contracts by the Ontario Power Authority (OPA). In addition, Xeneca has a further 14 FIT projects undergoing the Economic Connection Test (ECT) process.

Included in the package is a CD that contains a map with the names and geographic locations of our waterpower projects that have been awarded FIT contracts. This map will provide greater clarity as to the location of the projects. Listed below are the FIT contract sites in the Province of Ontario:


Allen & Struthers – MNR site # 2DB13, 2DB14 on the Wanapitei River
Cascade Falls – MNR site # 2CF09 on the Vermillion River
At Soo Crossing – MNR site # 2CF11 on the Vermillion River
Wabageshik – MNR site # 2CF12 on the Vermillion River
McPherson Falls – MNR site # 2CF46, 2CF47 on the Vermillion River
Four Slide Falls – MNR site # 2CD14 on the Serpent River
McCarthy Chute – MNR site # 2CD15 on the Serpent River
Near North Boundary – MNR site #4LF09 on the Kapuskasing River
Middle Twp. Buchan – MNR site # 4LF05 on the Kapuskasing River
Lapinigam Rapids – MNR site #4LE03 on the Kapuskasing River
Outlet Kapuskasing Lake – MNR site #4LE01 on the Kapuskasing River
Ivanhoe: Third Falls – MNR site # 4LC17 on the Ivanhoe River
Ivanhoe: The Chute – MNR site # 4LC18 on the Ivanhoe River
Wanatango Falls – MNR site # 4MD02 on the Frederick House River
Larder & Raven – MNR site # 2JC21, 2JC22 on the Larder River
Marter Twp. – MNR site #2JC16, 2JC17 on the Blanche River
Big Eddy – MNR site # 2KB21 on the Petawawa River
Half Mile Rapids (at CFB Petawawa) on the Petawawa River

In view of growing interest in our projects and in preparation for the ***Class Environmental Assessment for Waterpower*** we are requesting a list of Communities. These communities are those whom the Crown identifies as requiring consultation support from our organization and where the Proponent may be required to assist in accommodating these communities that may be impacted by one or more of our developments.

In appropriate cases Xeneca may pursue independent discussions with the Aboriginal or Métis Communities who may be interested in forming business-to-business relationships.

Please contact Xeneca Vice President of Corporate Affairs, Mark Holmes at 416-590-9362 X 102 for any further information that you may require.

Yours truly,

A handwritten signature in black ink, appearing to read 'Patrick W. Gillette', written in a cursive style.

Patrick W. Gillette
President and COO
Xeneca Power Development

cc. Steven Hobbs, Policy Advisor to Minister Strahl



June 29, 2010

Your file Votre référence

Our file Notre référence

ON-E 5010-4-1
[CIDMS #360677]

5160 Yonge Street
Suite 520
Toronto, Ontario
M2N 6L9

Dear Patrick Gillette:

RE: Xeneca Power Development Feed-in-Tariff Contracts

Thank you for your notice of June 10, 2010 regarding the above project.

In response to your request for information to Leigh Jessen, Acting Regional Director General, INAC Ontario Region, regarding First Nation/Aboriginal groups, we have forwarded your project descriptions to our Consultation and Accommodation Unit (CAU). The CAU is located at INAC headquarters and can provide information, held by the department, on:

- 1) The location of Aboriginal communities, reserves or their traditional territory, as claimed; and/or
- 2) The asserted or established rights that pertain to those communities or to a given geographic location.

They will contact Specific Claims for you, as well as other sectors within INAC that have the information you've requested. For further inquiries you may contact them directly at CAU-UCA@inac-ainc.gc.ca.

Please be advised that all future notifications concerning this or any other proposed projects in Ontario should be emailed to EACoordination_ON@inac-ainc.gc.ca or sent to the following address:

Environment Unit
Re: Environmental Assessment Coordination
Indian and Northern Affairs Canada
25 St. Clair Avenue East, 8th Floor
Toronto, Ontario, M4T 1M2

Canada 



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

JUL 26 2010
www.inac.gc.ca

www.ainc.gc.ca

Patrick W. Gillette
President and COO
Xeneca Power Development
5160 Yonge St. Suite 520
TORONTO ON M2N 6L9

RECEIVED

JUL 28 2010

For
file

5010-4-1 (EO)

Your file - Votre référence

Our file - Notre référence

Re: Information Request concerning Feed-in-Tariff projects

Thank you for your letter dated June 10, 2010 concerning an information request for potentially effected First Nations within the area of several of your projects. Your request has been forwarded to the Consultation and Accommodations Unit.

The Consultation and Accommodations unit is located at INAC headquarters and can provide information, held by the department, on:

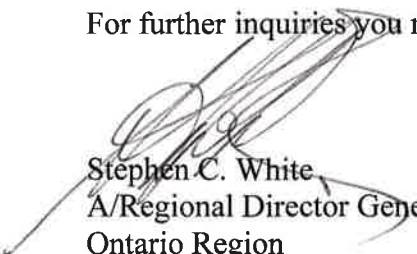
1. The location of Aboriginal communities, reserves or their traditional territory, as claimed; and/or
2. The asserted or established rights that pertain to those communities or to a given geographic location.

The Unit will contact Specific Claims for you, as well as other sectors within INAC that have the information that you've requested.

Please note that in future your requests can be sent directly to the Unit at the address below.

Consultation and Accommodation Unit
Indian and Northern Affairs Canada
300 Sparks Street
OTTAWA ON K1A 0H4

For further inquiries you may contact them directly at CAU-UCA@inac-ainc.gc.ca.


Stephen C. White
A/Regional Director General
Ontario Region

25 St. Clair Avenue East, 8th Floor
TORONTO ON M4T
cc: Daniel Johnson, Environment Officer, Lands & Trust Services

Canada 



Affaires indiennes
et du Nord Canada

Indian and Northern
Affairs Canada

Sous-ministre adjoint

Assistant Deputy Minister

Ottawa, Canada
K1A 0H4

FEB 07 2011

Mr. Mark Holmes
Vice-President, Corporate Affairs
Xeneca Power Development Inc.
Petawawa Green Energy Development Inc.
5160 Yonge Street, Suite 520
TORONTO ON M2N 6L9

RECEIVED

FEB 17 2011

Dear Mr. Holmes:

We acknowledge receipt of your letter dated January 10, 2011, requesting a renewal of a Priority Permit under subsection 7(4) of the Dominion Water Power Regulations for the hydro project at Half-Mile Rapids on the Petawawa River (CFB Petawawa).

From your letter, we further acknowledge that you appear to have progressed with work on the environmental assessment and plan preparation and surveys. This is in accord with the requirement of subsection 7(5) of the Dominion Water Power Regulations to show progress on work towards project development.

Accordingly, we wish to confirm that this project has been granted a renewal of the Priority Permit, and shall have priority over any other application for the development of these water powers for a further period of twelve (12) months from the date hereof.

The issuance of this Priority Permit does not bind the Minister to issue an interim licence and or final licence to you, nor grant to you any exclusive claim or right with respect to the development of the water powers at Half-Mile Rapids on the Petawawa River.

Yours sincerely,

Janet King
Assistant Deputy Minister
Northern Affairs Organization

Canada 

Waterpower development on the Petawawa River

A Presentation to *CFB Petawawa*
January 12, 2010



Building a greener Ontario through clean, renewable energy

Reason for meeting



- **To provide to new Base personnel an overview of Petawawa River projects and project proponents.**
- **To provide Base Command with an overview of Ontario's green electricity development policies and objectives.**
- **To provide Project history and status updates.**
- **Outline next steps in project development.**

Xeneca Power Development



Patrick Gillette, BA, MES, MPA, President/COO

- President & Owner Xeneca Power Development Inc.
- \$400 million Energy Project Financing
- 1000 MW of Project Development experience
- Co-founder Canadian Renewable Energy Corp. (CREC)

Uwe Roeper, M.Sc., P.Eng, CEO

- President Ortech Energy, Ortech Environmental
- Co-founder of CREC



Mark Holmes, VP Corporate Affairs

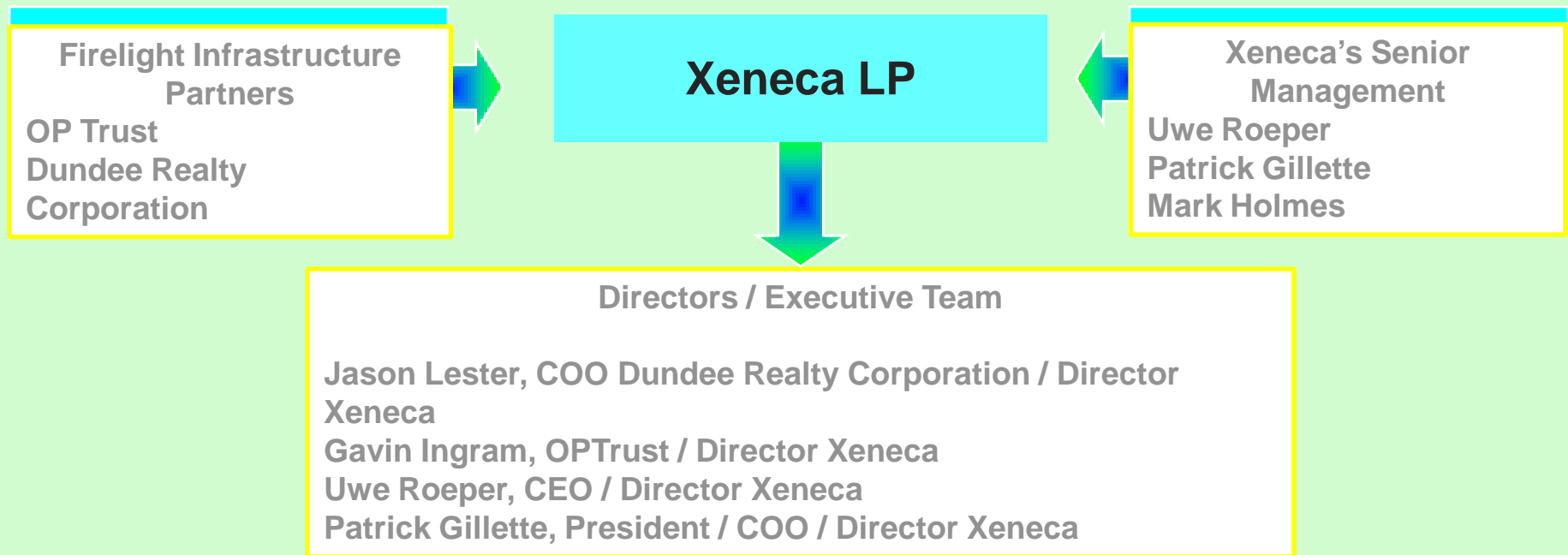
- Over 14 years resource use and management experience
- Six years energy sector consulting
- Extensive resource use experience in forestry, mining and wildlife conservation
- 25 years Regulatory, Government Relations, Communications background

Xeneca Power Development

Well capitalized and experienced partners and investors in the renewable energy field. Business run by an experienced management team with a proven record of success.



Xeneca Structure



XENECA

Provincial profile



- **130 MW of Ontario projects submitted to the Ontario Power Authority's Feed-In Tariff (FIT) program including Half Mile and Big Eddy.**
- **With FIT Contract there is a five year window for development. Projects will need to move quickly and concurrently through several approval processes.**
- **Funding sources are well established, reliable and committed.**

Why waterpower?



Currently, Ontario has a surplus of base load power, but lacks peaking power production, and, as such, efforts are being made to increase availability of “stored power.” Waterpower is an excellent means to balance the supply mix. Water can be stored behind dams in reservoirs, or simply redirected when needed to generate power, and, unlike fossil fuels and biomass, there are no emissions.



Why Petawawa?



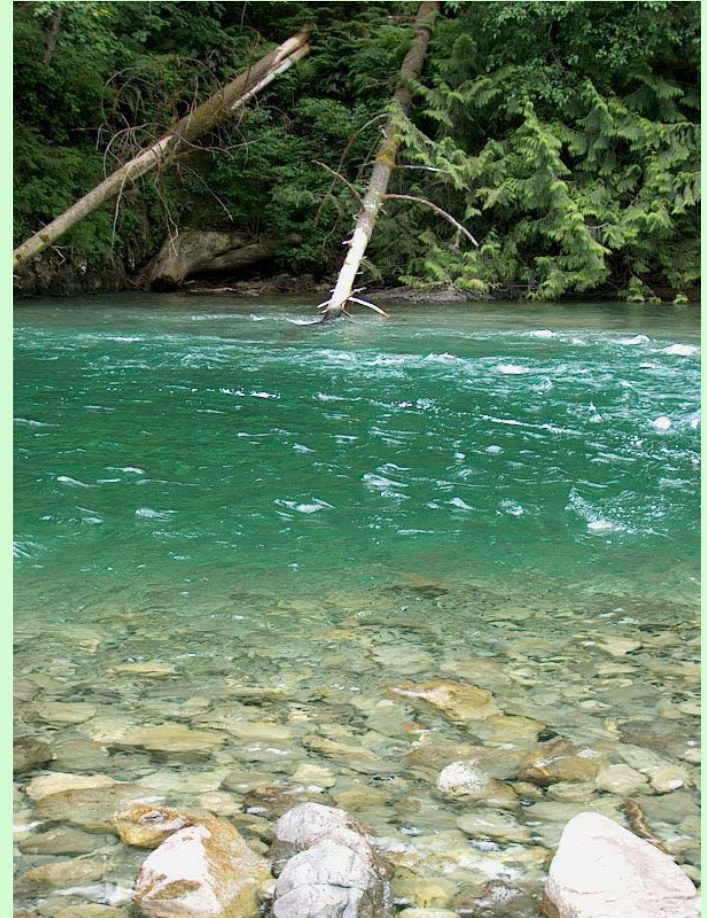
Power generation that occurs in remote areas may be out of sight and out of mind, but there is power loss over long distance transmission, and infrastructure is costly to build and maintain. Power produced and used locally is more economical and environmentally sound.



Current Public Policy



- **Government and Power Authorities recognize need for local generation which is strongly encouraged via public policy.**
- **New Green Energy Act (GEA) dovetails with Ontario Power Authority power purchase agreements and MOE's Environmental Approval process.**
- **MNR revamping its site release policy to merge with GEA.**



Current Public Policy



- **Federal policy also strongly encourages the development of Green, renewable energy.**
- **Helps achieve goal of reducing greenhouse gas emissions.**
- **Several Federal programs including Green Energy Fund in place to facilitate green energy development.**



Why CFB Petawawa?



- **Hydrology and topography show the Petawawa has good generation potential.**
- **Proximity to populace means short transmission routes.**
- **Development will increase reliability of power on the Base from a clean power source.**
- **Strong potential to generate substantial long term revenues for the Base and the Town of Petawawa.**
- **Supports development of renewable energy.**
- **Covered under Dominion Waterpower Act.**



Why CFB Petawawa?

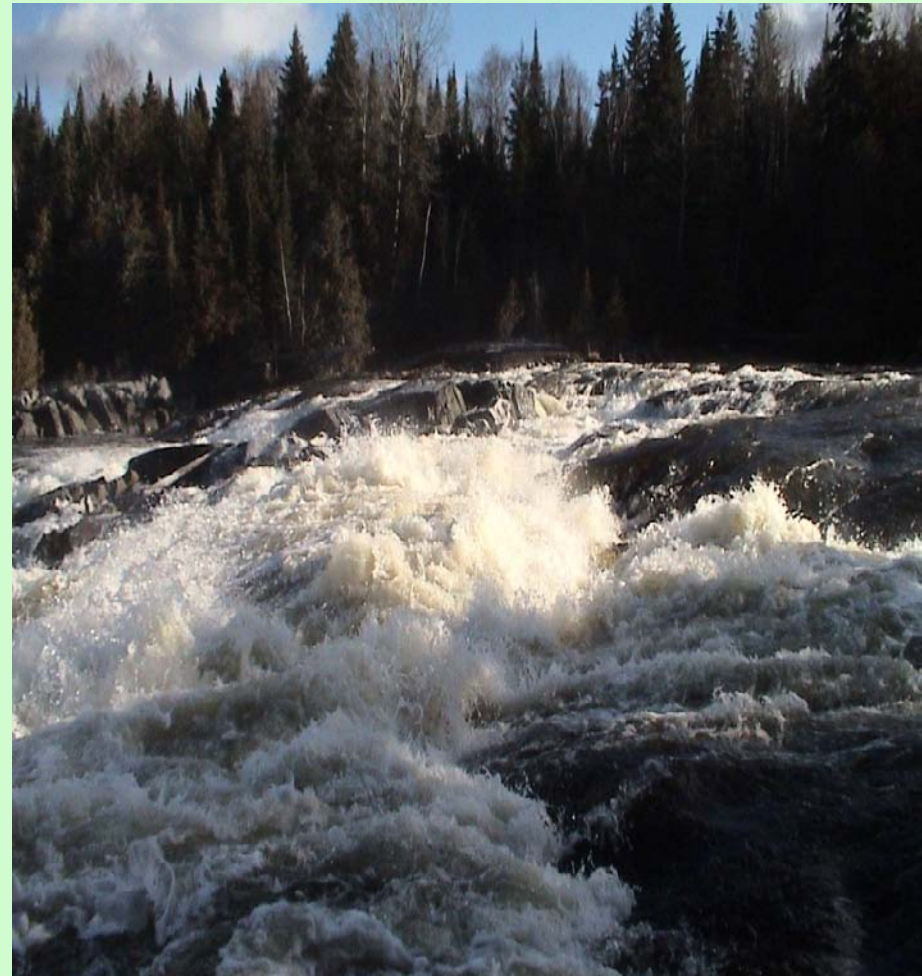


- **Two potential projects.**
- **Big Eddy located at the CPR Bridge and abutting on lands owned by CFB Petawawa on the North Shore and Town and private landholders on the South Shore.**
- **Half Mile entirely on Base land located upstream of Mountbatten Bridge.**
- **Both are covered under the Federal Dominion Waterpower Act.**



Economic Impacts

- **Approximate economic activity (direct) to build in Ontario is \$5 million per megawatt.**
- **Direct job creation (construction only) 10,000 person hours per MW. Indirect jobs multiply by 1.5.**
- **Local/Regional economic boost of \$2.5 million per MW.**



Economic Impacts

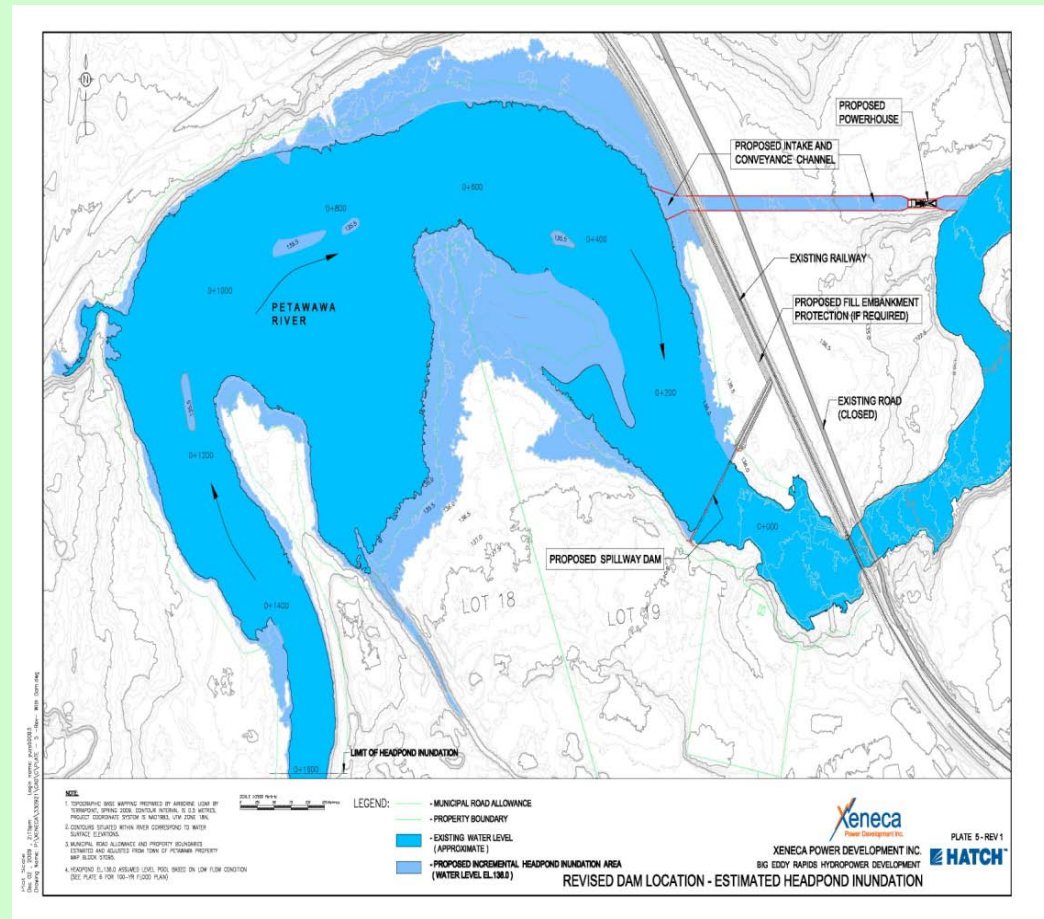


- **Broad based economic stimulus (engineering, consulting, legal, goods & services).**
- **First Nations participation incentives.**
- **Increased assessment to municipalities.**
- **Revenue to Ontario (GRC).**
- **Provincial and Federal Income taxes.**
- **Provincial and Federal revenues of over \$5 million per MW over 40 years (80-100 year lifespan).**

The Big Eddy Project

Big Eddy:

- Work progressing since 2006.
- Water intake upstream of CNR Bridge (Portage Road).
- Potential for about 7 MW.
- Connect to Petawawa DS.
- Several options considered, but for social, economic and environmental reasons the preferred option is the channel diversion.



The Big Eddy Project



Leases and land agreements with Base, Town and private landowners.

- **Engineering review of hydrology.**
- **Environmental Field Studies have begun.**
- **LiDAR digital aerial survey completed June 09 ... accurate within 2-4 cm.**



The Big Eddy Project



- **MNR provided with Waterpower Site Strategy document.**
- **Application made to Ontario Power Authority's Feed in Tariff Program.**
- **First Nations negotiation initiated through Jp2g.**
- **Stakeholder consultation well under way with Newspaper advertisements, meetings with interest groups and formation of a stakeholder advisory committee.**



The Half Mile Project



Half Mile Rapids:

- **Approx. 3 MW project.**
- **Connect point to be determined.**
- **Need to complete CEAA to confirm further technical details.**
- **Unknown if viable at this stage!!!**
- **CEAA process initiated June 2009**

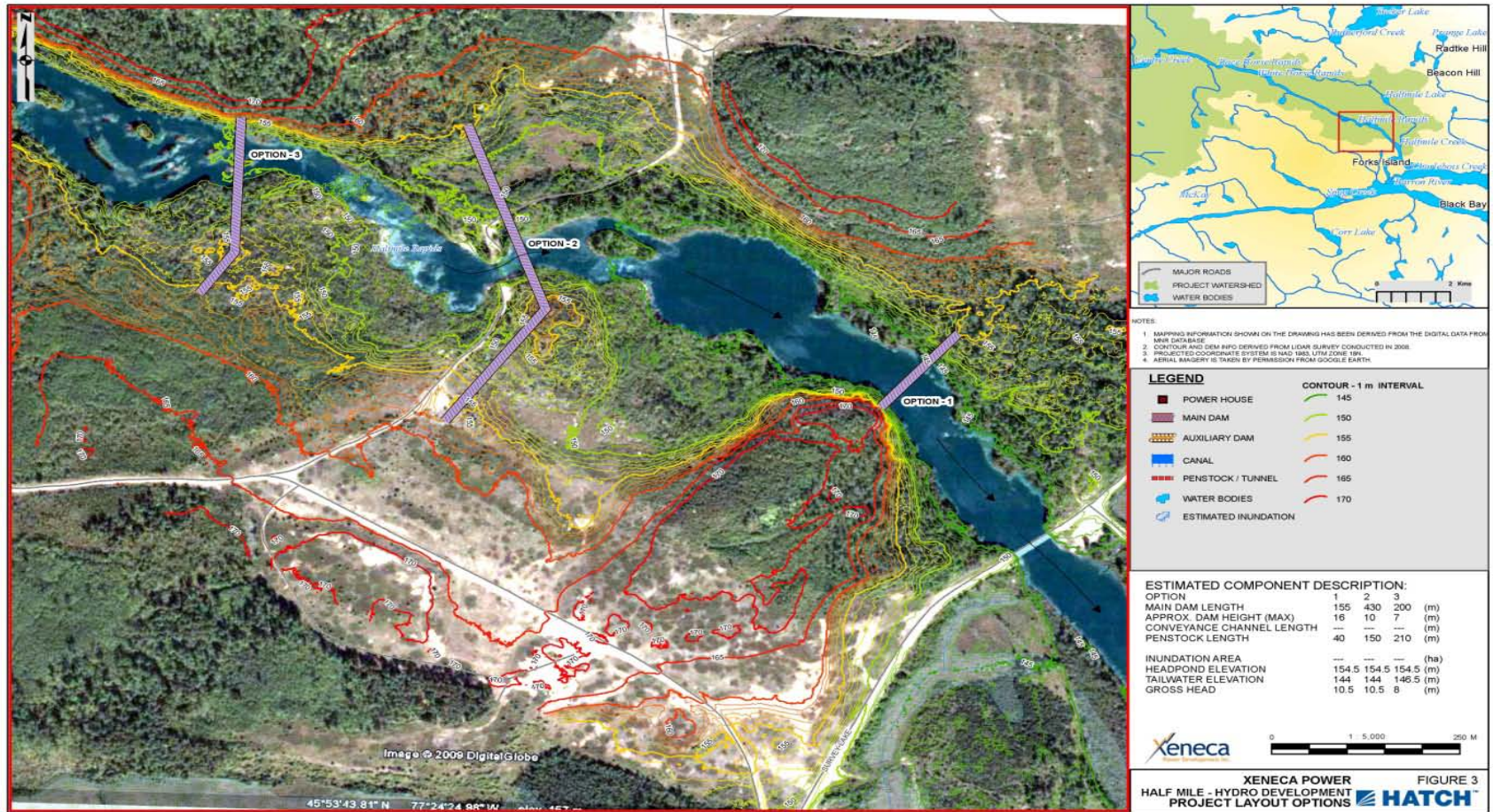


The Half Mile Project



- **Temporary land lease agreements in place.**
- **Excellent working relationship developed with Base staff. Experienced, professional and supportive assistance from Base Environmental and Engineering Services much appreciated.**
- **Several development options explored and consideration given to broad set of criteria including Base operations, safety, environmental and economic.**
- **LiDAR survey completed. Site visits in July of 2009.**
- **Engineering and Hydrology review.**

The Project



The Half Mile Project



- **Option 2 determined to be the best alternative.**
- **Most of dam structure can be comprised of rock fill. Powerhouse can be built take advantage of the natural shelter provided by bedrock outcropping.**
- **Penstock route is short and may be constructed subsurface by drilling or channeling through bedrock.**
- **Tailrace enhances known sturgeon habitat.**
- **Road access is established and in close proximity to the project.**



CEAA process activated July 2009:

- Federal agencies involved include:
- DND, Environment Canada, DFO, NRCan, Transport Canada, INAC ...
- Stakeholder participation in this project does not affect participation in EA consultation.
 - ◆ Xeneca welcomes Base input into the Habitat, Archaeology and other studies.
 - ◆ Information gaps have been identified and need to be filled.
- Water Management Plan (“WMP”).
 - ◆ Xeneca will be inviting the Base to participate in the WMP.

The Project ... moving forward



Eligibility for FIT contract to be determined early in 2010. FIT is integral to project development.

Recognize challenges working within a very active military base (i.e. access)... and need to develop strategies.



Summary Big Eddy



- **Significant work put into project. Viability determined.**
- **Significant benefits to the Base in terms of leasing revenues and development of highly desirable green energy.**
- **Economic benefits to the Town via jobs, economic stimulus, leasing revenues.**
- **Stakeholder/ environmental issues are being heard and resolved.**
- **Project now at a crucial juncture. With FIT contract, next steps require significant capitalization and business certainty.**
- **Xeneca requests that we begin the process to enter into long term leasing arrangement with CFB Petawawa/DND.**
- **Xeneca requests continued Base support for project goals and objectives.**

Summary Half Mile



- **Significant work put into project. Viability determined.**
- **Benefits to the Base in terms of leasing revenues.**
- **Development of highly desirable green energy.**
- **Increased reliability of power supply.**
- **Economic benefits to the Town via jobs, economic stimulus, leasing revenues.**
- **Project now at a crucial juncture. With FIT contract, next steps require significant capitalization and business certainty.**
- **Xeneca requests that we begin the process to enter into long term leasing arrangement with CFB Petawawa/DND.**
- **Xeneca requests continued Base support for project goals and objectives.**

Questions to discuss



- **Does the Base still wish this type of development and the associated long-term lease revenues (75 years+)?**
- **How do we transition from a short-term 5 year lease to a long-term lease? Could the lease be a 5 year automatically renewed every year if lease payments are made?**
- **Are there any issues or concerns with Big Eddy at the CNR Bridge?**
- **Can access issues be resolved for Half Mile?**
- **Can safety and asset security be reasonably assured for Half Mile?**
- **How to move forward in 2010?**

Thank You



Questions..... Discussion



Sib

RECEIVED

SEP 09 2010



National
Defence

Défense
nationale

Canadian Forces Base/Area
Support Unit Petawawa
P.O. Box 9999, Stn Main
Petawawa, Ontario
K8H 2X3

Base des Forces canadiennes/Unité
de Soutien de Secteur Petawawa
C.P. 9999, succ. Main
Petawawa, Ontario
K8H 2X3

7815-1 (RAM)

30 August 2010

Mr. Mark Holmes
Vice President
Corporate Affairs
Xeneca Power Development
5160 Yonge St.
North York, Ontario, M2N 6L9

INSTALLATION OF XENECA
CAMERA SYSTEM NEAR BIG EDDY PROJECT SITE

1. With respect to your recent request to install cameras and monitoring equipment on DND lands, this letter will act as your authority to install the necessary equipment under the following terms and conditions:

- a. Installed equipment will consist of solar panels to power a camera system which has a range of 50 – 100 feet, which will allow your firm to monitor water level fluctuations, wildlife movement and recreational use at and around the Big Eddy project site;
- b. All costs associated with this initiative will be borne by Xeneca Power Development;
- c. No structures are permitted at the site without prior written approval by DND. The only approved equipment to be sited would be the camera, solar power and a sign donating the MNR site number and notice to pedestrians to be aware of the cameras;
- d. Access to the site must be coordinated through Base Operations. Due to military exercises in the area it is strongly recommended that arrangements be made at least three days in advance. This can be arranged by calling (613) 687-5511, extension 6403;
- e. While the threat of unexploded ordnance (UXO) in the proposed camera location near the Big Eddy site is assessed as low, no digging of any sort is permitted and should a potential UXO be uncovered, Base Operations is to be notified immediately at (613) 687-5511, extension 6403;
- f. While there are no Species at Risk (SAR) concerns in the vicinity of the proposed camera location, CFB Petawawa's environment staff request that they receive copies of any wildlife and environment data collected by the Xeneca camera

May 11, 2011

Ms. Michelle Perry
Base Environmental Officer
CFB Petawawa, National Defence
Petawawa, ON K8H 2X3

Dear Ms. Perry,

Re: Half Mile and Big Eddy Archaeological Summary Reports

Xeneca Power Development is undertaking archaeological studies at each of its Feed in Tariff (FIT) project areas; we are sending you this letter as part of our Environmental Assessment notification. Xeneca has contracted the services of Woodland Heritage to complete this work. First, we want to thank you for supplying Xeneca and Woodland Heritage CFB Petawawa's Archeological report; this information will definitely enhance the work we need to complete.

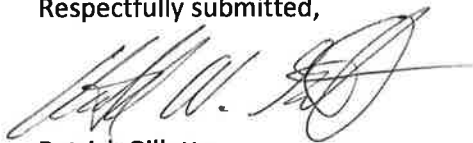
The first component of the archaeological investigation is a Stage I Archaeological Impact Assessment which involves a *desk-top* analysis which compares available information from the Ministry of Culture database and also uses computer modelling to identify areas of High Cultural Heritage Potential. Before these studies can be released to CFB Petawawa, other government agencies and to public stakeholders, we recommend they pass a review by the Ministry of Tourism and Culture (MTC) for completeness and accuracy.

Xeneca is aware of the coordination of activities and protocols for scheduling work at the base and is prepared to offer advance information that comes in the form of a summary report, the report also contains maps that identify the location of the project area. Once the Stage I report has received approval from the MTC we will provide a copy for your review and files.

Woodland Heritage will also be conducting on-the-ground investigations (Stage II and reporting) and requires access to the project areas. We anticipate this work to commence in the near future. We will contact your office shortly to initiate the process to gain access to the area.

For questions or comments in relation to all other aspects of the project, please contact Xeneca's President, Mr. Patrick Gillette at pgillette@xeneca.com or Xeneca's Aboriginal Relations Liaison, Mr. Dean Assinewe at dassinewe@xeneca.com.

Respectfully submitted,



Patrick Gillette
President & COO
Xeneca Power Development Inc.

Attachment: Summary Report: Stage 1 Archaeological Impact Assessment of Proposed Big Eddy, Petawawa River Hydroelectric Project, Fit--7PCDC, Township of Petawawa, Renfrew County

Summary Report: Stage 1 Archaeological Impact Assessment of Proposed Half Mile Rapids, Petawawa River Hydroelectric Project, FIT--KQLWL, CFB Petawawa, Renfrew County

c.c. Kristi Beatty, SR. Biologist, Ontario Resource Management Group Inc.
Amy Liu, Project Manager, Canadian Environmental Assessment Agency
Joanna Samson, Water Resources Coordinator, MNR Pembroke District
Vicki Mitchell, Environmental Assessment Coordinator, MOE Kingston
Paula Allen, Supervisor, Air, Pesticides Environmental Planning, MOE Sudbury
Luke Della Bona, Partner, Woodland Heritage Services



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

January 30, 2011

Michelle Perry
Base Environmental Officer
CFB Petawawa, National Defence
Petawawa, ON K8H 2X3

Re: Half Mile and Big Eddy Archaeological Stage I Summary Reports

Dear Mrs. Perry,

Xeneca Power Development is undertaking archaeological studies at each of its Feed in Tariff (FIT) project areas. Xeneca has contracted the services of Woodland Heritage to complete this work.

The first component in these studies is called a Stage I Archaeological Impact Assessment which involves a *desk-top* analysis which compares available information from the Ministry of Culture database and also uses computer modelling to identify areas of High Cultural Heritage Potential.

Xeneca is aware of the coordination of activities and protocols for scheduling work at the Base and is prepared to offer advance information that comes in the form of a summary report. The report also contains maps that identify the location of project area.

Woodland Heritage will also be conducting on-the-ground investigations (Stage II and reporting) that requires access to the project areas in 2012. We anticipate this work to commence in the spring and we will contact your office shortly to initiate the process to gain access to the area.

If there are any questions related to this letter or report, please contact me or Dean Assinewe, Aboriginal Relations Liaison (705-863-1969, dassinewe@xeneca.com) anytime.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Holmes", written in a cursive style.

Mark Holmes
Vice President, Corporate Affairs
mholmes@xeneca.com
416-590-3072



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

Attachments:

- **Stage 1 Archaeological Impact Assessment of Proposed Big Eddy, Petawawa River Hydroelectric Project, Fit-7PCDC, Township of Petawawa, Renfrew County**
- **Stage 1 Archaeological Impact Assessment of Proposed Half Mile Rapids Petawawa River Hydroelectric Project, Fit-kQlwl, CFB Petawawa, Renfrew County**

c.c. Woodland Heritage, OEL-HydroSys



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

BY COURIER:

Thursday, July 12, 2012

Ministry of National Defence
CFB Petawawa
P.O. Box 9999, Station Main
Petawawa, Ontario
K8H 2X3

Attn: Lt.-Col. C.C. Moyle, Base Commander

Dear Lt.-Col. Moyle:

RE: Land Arrangements for Half Miles Rapids (D201417) and Big Eddy (D201417)

We acknowledge receipt of your letters dated June 20, 2012, June 22, 2012 and July 9, 2012.

Suffice to say, we are deeply disappointed as to your decision to rescind access to the land in the vicinity of Half Mile Rapids. In our meeting on June 14, 2012, we had requested that you provide us with an opportunity to work with your Range and Training Area Control Officer(s) to ascertain the specific issues of concern that would impede the operational requirements at CFB Petawawa. Since 2007, Xeneca, and its wholly owned subsidiary, Petawawa Green Electricity Development Inc. have been working cooperatively with CFB Petawawa to investigate the development of the Half Mile Rapid site. To that end, Xeneca has expended considerable resources pursuing the development, in good faith, that absent a direct conflict, we would be entitled to develop the project. To date, we still have not had a satisfactory explanation as to the change in circumstances that lead to your decision.

We are writing to request that you hold in abeyance any request to rescind the priority permit with the Department of Indian and Northern Affairs Canada pending the opportunity to discuss this matter with your Range and Training Area Control Officer(s).

We look forward to your expeditious reply.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Uwe Roeper', with a large flourish at the end.

Uwe Roeper
Chief Executive Officer

c. Christopher Morton, Department of Indian & Northern Affairs Canada

Muriel Kim

From: Muriel Kim
Sent: June-06-13 9:56 AM
To: Kai Markvorsen; Caitlin Kenny
Subject: FW: materials for Base review

Muriel Kim - Environmental Scientist - (613) 839-3053 x261

From: MICHELLE.PERRY@forces.gc.ca [<mailto:MICHELLE.PERRY@forces.gc.ca>]
Sent: March 8, 2013 10:51 AM
To: Mark Holmes
Cc: Vanesa Enskaitis; CDeJong@ortech.ca; Mike Vance; Grace Yu; Ed Laratta
Subject: RE: materials for Base review

Hi Mark,

I spoke with the BComd this week regarding your two proposed options for the access road. He relayed that CFB Petawawa will not comment on any preferences for access roads until the environmental approvals are obtained and a land lease is in place.

Michelle Perry
Base Environment Officer | Officier d'environnement
CFB Petawawa | BFC Petawawa
National Defence | Défense nationale
Petawawa, Ontario K8H 2X3
Michelle.Perry@forces.gc.ca
Telephone | Téléphone 613-687-5511 x 6572
Facsimile | Télécopieur 613-588-2675
Government of Canada | Gouvernement du Canada

From: Mark Holmes [<mailto:mholmes@xeneca.com>]
Sent: Monday, 25, February, 2013 16:24 PM
To: Perry M@CFB/ASU Petawawa@Petawawa
Cc: Vanesa Enskaitis; CDeJong@ortech.ca; Mike Vance; Grace Yu; Ed Laratta
Subject: materials for Base review

Michelle:

Great speaking with you this afternoon.

Thank you for your clarification on whether any additional information will be required by the Base such as;

- options for road access to the site,
- terrestrial studies,
- archeology... etc.

As per your direction, we will provide the Base, as well as DFO and Transport Canada with Draft of our Environmental assessment in order that it can be reviewed to determine it meets the federal EA requirements.

With respect to site access Xeneca is looking at two options:

1. Access off Paquette Road utilizing the existing trail
2. Access of Paquette Road using the decommissioned rail bed

For the second option, Xeneca has been in contact with CP and continues to dialogue with the company regarding the use of the rail bed for access.

For the option to use the existing trail to access the site, please see the attached mapping showing proposed line and road routes. Maps showing the option to use the rail line are being prepared and will be sent to you shortly. The Base input on which access route is preferred would also be helpful in making a final determination on where the road access will be constructed.

Thanks again for your input.

Best regards,

Mark

Mark Holmes
Vice President
Corporate Affairs
Xeneca Power Development

5255 Yonge St.
Suite 1200
North York
M2N 6P4
416-590-9362
416-590-9955 (fax)
647-588-9707 (cell)

mholmes@xeneca.com

www.xeneca.com

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June 22, 2010

Hon. Cheryl Gallant
MP Renfrew, Nipissing, Pembroke
84 Isabelle Street
2nd Floor
Pembroke, ON K8A 5S5

Dear Cheryl:

As you are aware, Xeneca Power Development is one of Ontario's largest developers of renewable energy (waterpower). We are committed to environmentally sound planning, a thorough consultative process, and practicing good corporate social responsibility.

Under the Feed-In Tariff (FIT) Contracts issued by the Ontario Power Authority (OPA), Xeneca is currently developing 19 waterpower facilities across the Province of Ontario, including two sites in the Riding of Renfrew, Nipissing, Pembroke:

- Big Eddy on the Petawawa River
- Half Mile Rapids on the Petawawa River

We wish to inform you of our intent to issue a Notice of Commencement for a Waterpower Class Environmental Assessment in 2010. Through the Class EA, comprehensive environmental and archeological studies will be conducted. Additionally, broad stakeholder and First Nations consultation will occur, including discussions with the Town of Petawawa. Concurrently, Xeneca will work to complete all necessary tasks requested by the Crown, which include First Nations business relationship discussions.

Respectfully, we request input from your office in regard to any individual stakeholder or public interest groups for whom our projects would be of interest, as well as any relevant contact information.

The economic impact of these projects is one that will benefit your riding. Through the Green Energy Act, passed by the Ontario government in 2009, the Province is now procuring renewably produced electricity (wind, solar, water and biomass) to replace all coal-fired generation which is scheduled to close by 2014. Waterpower provides the least expensive and most reliable power.

In the case of waterpower, the cost to build is about \$5 million per MW. Approximately half of that money is spent locally or regionally to acquire everything from trucking to concrete, as well as aggregate purchases, legal and surveying services, equipment rentals, labour, accommodations, restaurant services and more.

Over a 40 year period, waterpower pays on average \$5 million per MW in taxes, fees and royalties. Much of this money is returned to the communities where these waterpower plants are operating.

Should you require further information, please note that Xeneca has begun the process of posting the information concerning these projects. We invite you to visit our website at www.xeneca.com to provide comments or express any concerns. The website will be updated as information on each of the sites becomes available. For additional information, you may also contact Vanesa Enskaitis, Public Affairs Liaison and at venskaitis@xeneca.com.

Best regards,

Mark Holmes



Mark Holmes
Vice President
Corporate Affairs
Xeneca Power Development

5160 Yonge St.
North York, ON
M2N 6L9

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

mholmes@xeneca.com



October 13, 2010

Hon. Cheryl Gallant
MP Renfrew, Nipissing, Pembroke
84 Isabelle Street
2nd Floor
Pembroke, ON K8A 5S5

Dear Hon. Gallant:

RE: Invitation to Attend Public Information Centres.

As promised in previous correspondence to your office, Xeneca Power Development is writing to advise that Public Information Centres (PICs) are being set up in your area with respect to the following proposed waterpower developments:

- Big Eddy project on the Petawawa River

As you may be aware, Xeneca Power Development has issued a Notice of Commencement for the Class Environmental Assessment for Waterpower Projects (Class EA) for the above noted projects. Public Information meetings are an important part of that process.

Xeneca Power Development Inc invites you to attend our Public Information Centres where you will have the opportunity to learn more about the projects and provide your input to our project team. Please join us on the following dates:

Tuesday, November 16th, 2010
Time: 4:00 to 8:00 pm
Quality Inn & Suites
3119 –B Petawawa Boulevard, Petawawa

Your participation in the PICs is greatly valued as is the engagement in archeological, environmental and social-economic aspects of the projects. Communities with an interest in our projects need information so that well informed decisions can be made. We also believe that a broader knowledge base is extremely important to ensure that any future development is conducted in a way to provide an appropriate balance between environmental, social and economic needs.

Overall, the Class EA is administered by the Ministry of the Environment and is a separate process from Site Release which is administrated by the Ministry of Natural Resources. No permits, approvals or tenure are issued through the Class EA as it is designed to provide information on the potential impacts and viability of each of the projects. The Class EA also allows for comment and dialogue between Xeneca Power Development and Communities, local First Nations, Federal and Provincial governments, as well as any additional stakeholders.

Xeneca Power Development will be posting information regarding our projects, access to information and government programs on its website at www.xeneca.com.

Xeneca Power Development endeavors to proceed in an open, transparent and respectful manner. Our approach includes meaningful, upfront consultation and community participation throughout the development process. If you or your staff wish to be briefed of our projects in advance of the Public Information Centre we would be pleased to arrange a meeting the evening prior to, or morning of, the scheduled PIC. Briefings can also be conducted further in advance via teleconference.

If there are questions or comments regarding the Public Information session the undersigned or Vanesa Enskaitis can be contacted at any of the numbers listed on our letterhead.

Best regards,

A handwritten signature in black ink, appearing to read 'Mark Holmes', written in a cursive style.

Mark Holmes
Vice President, Corporate Affairs

October 25, 2010

Hon. Cheryl Gallant
MP Renfrew, Nipissing, Pembroke
84 Isabelle Street
2nd Floor
Pembroke, ON K8A 5S5

Dear Hon. Gallant:

You will have recently received an October 13th notice and invitation to attend a Public Information Centre (PIC) regarding our proposed waterpower development:

- Big Eddy project on the Petawawa River

Please be advised that Xeneca Power Development will be rescheduling the Public Information Centre to which you have been invited. We fully expect to confirm new dates for January or early February and will provide advance notice. The change in meeting date will provide the necessary time to address government agency comments and further develop information related to our projects.

In the meantime, we continue to seek your input on the projects, and we invite you to visit our website at www.Xeneca.com for project information, updates and notices.

If you have questions please contact the undersigned, or Vanesa Enskaitis at any of the numbers provided in our letterhead.

We look forward to meeting you and the members of your constituency in the coming weeks.

Best regards,

A handwritten signature in black ink, appearing to read "Mark Holmes", is written over a light blue horizontal line.

Mark Holmes
Vice President, Corporate Affairs
Xeneca Power Development Inc.

Ministry of
Natural Resources

Ministère des
Richesses naturelles



Natural Resource Management Division
Lands and Waters Branch
P.O. Box 7000, 300 Water Street
Peterborough, ON K9J 8M5
Telephone: (705) 755-1240
Fax: (705) 755-1206

Division de la gestion des richesses naturelles
Direction des terres et eaux
C.P. 7000, 300, rue Water
Peterborough (Ontario) K9J 8M5
Téléphone : (705) 755-1240
Télécopie : (705) 755-1206

March 31, 2008

Petawawa Green Electricity Development Inc.
c/o Xeneca Power Development Inc.
2395 Speakman Drive
Mississauga, Ontario L5K 1B3

Attention: Patrick Gillette

RE: Non-Competitive Application for Waterpower
(File # WSR-2008-02)

Dear Mr. Gillette,

This letter acknowledges receipt of your Non-Competitive Site Release Application for site #2KB21 "at CNR Bridge" on the Petawawa River.

Your application has been forwarded to the Pembroke District Office, where staff will review your application and then contact you to advise you of the next steps in the site release process.

Please note that MNR's acceptance of your application does not constitute an approval or commitment to approve your project. As part of this process, you will also be responsible for fulfilling all relevant environmental assessment obligations, and obtaining all necessary permits, approvals and licenses from MNR and other government agencies.

If you have any questions regarding this application, please contact Joanna Samson at 613-732-5593.

Regards,

A handwritten signature in black ink, appearing to read "KMA", with a long, wavy underline.

Kevin R. Hosler
Program Coordinator, Renewable Energy Section

cc: MNR District Manager, Pembroke, ON (Attention: Paul Moreau)

Renewable Energy Coordinator, Southern Region (Attention: Jim Beal)

Environment Canada – Ontario Region, Canada Centre for Inland Waters, 867
Lakeshore Road, Burlington, ON, L7R 4A6 (Attention: Rob Dobos)

Ontario-Great Lakes Area, Fisheries and Oceans Canada,
28 Waubeek Street, Parry Sound, ON P2A 1B9 (Attention: Dan Thompson)

Ministry of the Environment, Environmental Assessment and Approvals Branch
Floor 12A, 2 St. Clair Avenue West, Toronto, ON, M4V 1L5 (Attention: Marie LeGrow)

L. Deveaux copy

Ministry of
Natural Resources
31 Riverside Drive
Pembroke, ON
K8A 8R6

Ministère des
Richesses naturelles



September 16, 2008

Patrick Gillette
Petawawa Green Electricity Development Inc.
100 Bowood Ave.
Toronto, ON M4N 1Y5

Dear Mr. Gillette:

**SUBJECT: Direct Site Release – Big Eddy Rapids (CPR Bridge), Petawawa
River: File # WSR-2008-02
Status of Application & Preparation of Site Description Package**

With reference to the above noted Direct Site Release waterpower development application received April 2, 2008 and an amended application received August 21, 2008, please be advised that the Pembroke District Ministry of Natural Resources has conducted a preliminary review of the site and has determined that the site is available for potential waterpower development. As a result, please be advised that the \$1,050 application fee has been processed.

We are now in the process of preparing a Site Description Package which will be provided to you within 60 days of this dated correspondence. The Site Description Package will serve to inform you of the known site considerations from MNR's perspective. We will be providing you information regarding site features and will indicate where information gaps are known to exist. The information contained in the Site Description Package (SDP) will be used by Petawawa Green Electricity Development Inc. for the preparation of the Applicant's Waterpower Site Strategy (WSS).

A pre-screening meeting between Pembroke District and the applicant will be held within 30 days of delivery of the SDP. The pre-screening meeting is to review the SDP and identify the MNR's interests and/or constraints regarding Crown land use, resource management policies, other approved planning documents, and other environmental, resource and public interest issues that the applicant will be required to address in the WSS.

Following the pre-screening meeting, the applicant will have 30 days to submit the Waterpower Applicant Declaration Form. Following this, the applicant will be instructed to prepare a WSS. The applicant will have 120 days to prepare the WSS and during this time, public notification is to occur. As discussed and agreed to in previous correspondence, the public notification is to include a

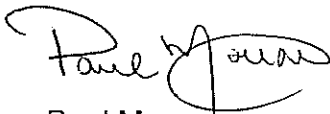
notice to riparian landowners upstream and downstream of the Big Eddy Rapids, in particular those in between the proposed intake of the diversion channel and where the generating station will be situated. This is in addition to an advertisement placed in the local newspaper(s).

Please be aware that this letter in no way releases the site at the Big Eddy Rapids (CPR Bridge) to Petawawa Green Electricity Development Inc. to pursue development approval. The Applicant of Record status will be awarded, and the site released, upon the successful review of the WSS.

For your information, I have included with this letter a copy of MNR's *Waterpower Site Release and Development Review Policy and Procedures*. Please refer to pages 3-8 of 35 of the Procedure for the detailed steps involved in the Direct Site Release Process.

Should you have any questions, please contact Joanna Samson, Water Resources Coordinator, at (613) 732-5593.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Moreau". The signature is stylized with a large initial "P" and a long horizontal stroke.

Paul Moreau
District Manager
Pembroke District

c: Jim Beal, Southern Region Renewable Energy Coordinator, MNR

attachments: *Waterpower Site Release and Development Review Policy*
Waterpower Site Release and Development Review Procedure

From: Patrick Gillette
Sent: Tuesday, October 07, 2008 12:01 AM
To: Patrick Gillette; jhunton@jp2g.com
Cc: Leah Deveaux; Samson, Joanna (MNR); ken.mcwatters@ontario.ca
Subject: RE: JP2G

Attachments: Slide1.JPG
Hi Jim:

As requested, please find attached a map showing the location of the two waterpower sites on the Petawawa River.

As discussed, these Projects are at their earliest stages of development and further technical data will be sent as it becomes available.

Xeneca Power Development Inc. ("Xeneca") looks forward to working with the Algonquin First Nation Communities that you represent and seeking their guidance and input as we progress through the permitting process.

Please do not hesitate to contact me with further questions.

Yours truly,

Patrick Gillette
President
Xeneca Power Development Inc.
2395 Speakman Drive
Mississauga, Ontario
L5K 1B3
Tel: 905-855-4120, Ext 246
Fax: 905-855-0406
Cell: 416-697-4004

From: Patrick Gillette
Sent: Mon 06/10/2008 4:51 PM
To: jhunton@jp2g.com
Subject: RE: JP2G

Hi Jim:

I apologise for the delay in responding; my hard-drive decided to crash Friday night.

You should see something tonight.

Regards,

Patrick

From: Mcwatters, Ken (MNR) [mailto:ken.mcwatters@ontario.ca]
Sent: Tue 9/23/2008 1:14 PM
To: Patrick Gillette; Samson, Joanna (MNR)
Subject: RE: JP2G

Good day Patrick,

I did deliver the letter to Jim Hunton yesterday but he was out at the time. Today I followed up with a phone message to Jim's voicemail. I have asked Jim to call me about this site and I am hoping he will today. In my message to Jim, I also advised that you would likely be calling him to discuss this more with him at some time. If you don't mind, I would appreciate that you not contact him before tomorrow. If I don't get a chance to discuss this with him today, then he is at least aware that you may call and then you can do that if you like. Jim's contact information is:

Jim Hunton
Jp2g Consultants Inc.,
12 International Drive,
Pembroke, Ontario, K8A 6W5

jhunton@jp2g.com

Phone 613-735-2507

I hope this is of assistance.

Ken

Ken McWatters
613-732-5572
ken.mcwatters@ontario.ca

From: Patrick Gillette [mailto:PGillette@xeneca.com]
Sent: September 22, 2008 1:37 PM
To: Samson, Joanna (MNR)
Cc: Mcwatters, Ken (MNR)
Subject: RE: JP2G

Thanks Joanna and Ken:

Just let me know when you have made contact with JP2G and I will follow-up.

Cheers,

Patrick

From: Patrick Gillette
Sent: Thursday, October 09, 2008 1:30 PM
To: Mcwatters, Ken (MNR)
Cc: Leah Deveaux; Scott Stoll
Subject: RE: Kinouchepirini First Nation & Petawawa River
Hi Ken:

Good question.

I have chatted with Scott Stoll; Counsel.

Unless directed otherwise I have stakeholder obligations to every citizen of Ontario. If someone wants to meet and it can be done without inconvenience to myself or staff then we are expected to meet, but its not an obligation.

Otherwise, we are obligated to provide Grant the same information as we would any Canadian citizen and respond to questions in a timely manner. Unless advised otherwise by MNR we are not extending First Nation consultation practices to Grant.

I have advised Jim Hutton of this and he seemed satisfied.

I have also requested Grant provide background material on First Nation status to our offices.

I sent a short response by Blackberry, which I will find and forward to you.

Happy to discuss.

Best regards,

Patrick

From: Mcwatters, Ken (MNR) [mailto:ken.mcwatters@ontario.ca]
Sent: Thu 09/10/2008 9:16 AM
To: Patrick Gillette
Subject: RE: Kinouchepirini First Nation & Petawawa River

[What are you proposing to do now with this request from Grant?](#)

From: Patrick Gillette [mailto:PGillette@xeneca.com]
Sent: October 8, 2008 11:50 PM
To: Mcwatters, Ken (MNR)
Cc: Samson, Joanna (MNR); jhunton@jp2g.com
Subject: FW: Kinouchepirini First Nation & Petawawa River

Hi Ken:

As discussed; please see below.

Leah, please add this to the stakeholder log.

Thanks,

Patrick

From: Grant Tysick [mailto:granttysick@hotmail.com]
Sent: Wed 08/10/2008 12:38 PM
To: Patrick Gillette
Subject: RE: Kinouchepirini First Nation & Petawawa River

Mr Gillette,

I would appreciate if you set up a time and place so we can get together.

Chief Grant Tysick

Subject: RE: Kinouchepirini First Nation & Petawawa River
Date: Wed, 17 Sep 2008 02:01:17 -0400
From: PGillette@xeneca.com
To: PGillette@xeneca.com; granttysick@hotmail.com
CC: LDeveaux@ortech.ca

Dear Chief Tysick:

As requested I called the telephone number you provided this afternoon; can you please confirm the telephone number. I will try to call you again or please feel free to call me at your convenience.

Cheers,

Patrick

From: Patrick Gillette
Sent: Sun 9/14/2008 3:24 PM
To: Grant Tysick
Cc: Leah Deveaux
Subject: RE: Kinouchepirini First Nation & Petawawa River

Dear Chief Tysick:

Please call me at 416-697-4004 when you have a moment to discuss.

If you do not believe me, you can speak to my staff, consultants and government official who were at the Airport, where they were given site reviews by helicopter and where taken on Field visits by land.

Once again, I apologize. I do not know how the miscommunication occurred or what went wrong. However, the field visits did occur and we are not trying mislead your Community.

I am happy to try to organize a meeting with your Community sometime in the future to discuss the Project.

Yours truly,

Patrick

From: Grant Tysick [mailto:granttysick@hotmail.com]

Sent: Sun 9/14/2008 11:33 AM
To: Patrick Gillette
Subject: RE: Kinouchepirini First Nation & Petawawa River

Mr Gillette.

I can assure you that there was not any of your people present at the Airport because Airport officials told my Resource Manager that there was nothing scheduled for that day.

Please do not mislead this Community,

Subject: RE: Kinouchepirini First Nation & Petawawa River
Date: Thu, 11 Sep 2008 23:59:28 -0400
From: PGillette@xeneca.com
To: granttysick@hotmail.com
CC: smanser@ortech.ca; mholmes@ofia.com; LDeveaux@ortech.ca

Dear Chief Tysick:

My apologies, I am not sure what happened.

Staff was at the Pembroke Airport in Petawawa at 9 am on Tuesday September 9th and instructed to meet with government staff and representatives; MNR, Federal and your Community representative.

Staff was at the airport throughout the morning until 11 am when the helicopter, it was delayed due to weather, arrived. MNR, Federal Waterpower Co-ordinator and staff and consultants reviewed the waterpower sites throughout the day both by helicopter and on the ground.

Airport staff was aware we were at the Airport and allowed us to use their Boardroom.

As mentioned, I am happy to meet with your Community and, the MNR will be starting consultation sometime in early 2009; this was discussed with the MNR and we are committed to working with all the affected First Nation Communities.

Once again you have my apology.

Best regards,

Patrick

From: Grant Tysick [mailto:granttysick@hotmail.com]
Sent: Thu 9/11/2008 10:30 PM
To: Patrick Gillette
Subject: RE: Kinouchepirini First Nation & Petawawa River

Mr Gillette,

In regards to the meeting on the 9th I was contacted by our Resource Manager and he told me there was nothing set up at the Airport on the 9th, so why was it cancelled.

Subject: RE: Kinouchepirini First Nation & Petawawa River
Date: Thu, 4 Sep 2008 01:04:23 -0400

From: PGillette@xeneca.com
To: granttysick@hotmail.com

Hi Chief Tysick:

My apologies; a family matter has come up and I need to be home on Sept. 10th.

If you have time I could do a dinner or coffee Sept. 9th; I would need to leave around 7 pm to catch my flight.

If not, I will organize a time and come up and meet later in the Fall.

Cheers,

Patrick

From: Grant Tysick [mailto:granttysick@hotmail.com]
Sent: Tue 02/09/2008 9:33 PM
To: Patrick Gillette
Subject: RE: Kinouchepirini First Nation & Petawawa River

Mr Gillette, the 10th for breakfast at the Travel Lodge Pembroke works for me @ 8am.

Meegwetch,

Subject: RE: Kinouchepirini First Nation & Petawawa River
Date: Tue, 2 Sep 2008 16:24:57 -0400
From: PGillette@xeneca.com
To: granttysick@hotmail.com
CC: LDeveaux@ortech.ca

Hi Chief Tysick:

If it works, I can meet on the following days:

- Sept. 8th in the evening for dinner or a drink.
- Sept.9th for breakfast early.
- Sept.9th for dinner or a drink.
- Sept.10th for breakfast.

I am happy to meet in either Petawawa or Pembroke. Normally try to stay at the Best Western.

I apologise, for family reasons I cannot make it up earlier on Sept. 8th.

I will send out a e-mail later today concerning the technical consultation.

Cheers,

Patrick

From: Grant Tysick [mailto:granttysick@hotmail.com]
Sent: Mon 25/08/2008 12:17 PM
To: Patrick Gillette
Subject: RE: Kinouchepirini First Nation & Petawawa River

Mr Gillette, on th 8th I could meet with you for Breakfast so do you usually stay in Pembroke or Petawawa.

Meegwetch,

Subject: RE: Kinouchepirini First Nation & Petawawa River
Date: Fri, 22 Aug 2008 23:09:20 -0400
From: PGillette@xeneca.com
To: granttysick@hotmail.com

Hi Chief Tysick:

Please call me Patrick.

I will make sure we provide all the information as soon as we have it. My suspicion is sometime late morning on September 9th at the Pembroke Airport.

Are you free from Sept. 8th - 10th at anytime? I would like to see if we can get together for Breakfast or Lunch or a coffee. If not, I will let you know when I am next up in your area and we can hopefully meet.

Have a great weekend.

Cheers,

Patrick

From: Grant Tysick [mailto:granttysick@hotmail.com]
Sent: Fri 8/22/2008 2:41 PM
To: Patrick Gillette
Subject: RE: Kinouchepirini First Nation & Petawawa River

Mr Gillette,

Unfortunately I have other meetings on that day, but the Community Resource Manager Mr Kasaboski will attend.

Please send me the Place and time.

Meegwetch,
Chief Tysick

Subject: RE: Kinouchepirini First Nation & Petawawa River
Date: Thu, 21 Aug 2008 22:29:30 -0400
From: PGillette@xeneca.com
To: granttysick@hotmail.com
CC: LDeveaux@ortech.ca; mholmes@ofia.com

Hi Chief Tysick:

I want to let you know that there is a helicopter review with technical staff on Sept. 9th with other governments of the Petawawa sites.

Please advise if you could participate.

Best regards,

Patrick

From: Grant Tysick [mailto:granttysick@hotmail.com]
Sent: Sun 2/10/2008 1:57 PM
To: Patrick Gillette
Cc: Leah Deveaux
Subject: RE: Kinouchepirini First Nation

Patrick, I have received your email and will be conducting consultation with the other First Nations Monday. Meegwetch
Chief Tysick

Subject: RE: Kinouchepirini First Nation
Date: Sun, 10 Feb 2008 08:11:51 -0500
From: PGillette@xeneca.com
To: granttysick@hotmail.com
CC: LDeveaux@ortech.ca

Dear Chief Grant Tysick:

It is unlikely I will get a letter out this weekend; personal commitments and a unusually high work load are creating delays.

However, I believe the e-mail below outlines the issues and Xeneca's position. The issues are related to the proposed development of a new road through the Kinouchepirini First Nation. The development of this road would require the acquisition of land from the First Nation. The acquisition of this land would be subject to a number of conditions, including the requirement that the First Nation be consulted on the proposed development. The First Nation has expressed concerns about the proposed development and has requested that the development be delayed until the concerns have been addressed. The First Nation has also requested that the development be subject to a number of conditions, including the requirement that the First Nation be consulted on the proposed development. The First Nation has also requested that the development be subject to a number of conditions, including the requirement that the First Nation be consulted on the proposed development. The First Nation has also requested that the development be subject to a number of conditions, including the requirement that the First Nation be consulted on the proposed development.

Please let me know the result of your Council meeting and, the meeting with the other First Nation communities and, how you wish to proceed. As discussed, if one person can be assigned to this file we would be happy to sort-out a part-time fee with that person/community so as to have a person managing the information exchange and ensuring we understand your issues and that they are incorporated into the permitting process.

On that issue, knowing First Nation environmental concerns would be very much appreciated so they can be incorporated into the planning of environmental studies.

Best regards,

Patrick

From: Patrick Gillette
Sent: Wed 2/6/2008 10:46 PM
To: granttysick@hotmail.com
Cc: Leah Deveaux; Pat Evans; mstillman@petawawa.ca
Subject: Kinouchepirini First Nation

Dear Chief Grant Tysick:

Thank you for contacting me today to make me aware of your community Kinouchepirini (**Algonkin or Algonquin; Chief Tysick can you please confirm spelling**) First Nation. I am sorry that I cannot provide you with a more detailed letter outlining our discussions later this week. I will attempt to submit a more detailed letter outlining our discussions later this week.

Xeneca is committed to working with your community and other First Nation communities so as to conduct meaningful consultation for potential projects on the Petawawa River. This will be a part of the permitting process; as I mentioned, we are still clarifying whether the process will be Federal or Provincial. Permitting typically takes two to four years before construction begins.

In addition to Xeneca, we are working with your community and other First Nation communities so as to conduct meaningful consultation for potential projects on the Petawawa River. This will be a part of the permitting process; as I mentioned, we are still clarifying whether the process will be Federal or Provincial. Permitting typically takes two to four years before construction begins.

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çâ, -Å;ÃfÆ'Ãçâ, -Å;ÃfâÇÃ, Âçs contact information is:

Chief Grant Tysick
Kinouchepirini First Nation
3689B Line Road
Pembroke, ON K8A 6W7
(613) 732-1741

Chief Tysick, I look forward working with your community to outline a consultation and mitigation process, and to discuss potential economic opportunities for affected First Nations.

Yours very truly,

Patrick

Patrick Gillette
President
Xeneca Power Development Inc.
2395 Speakman Drive
Mississauga, Ontario
L5K 1B3
Tel: 905-855-4120, Ext 246
Fax: 905-855-0406
Cell: 416-697-4004

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From: Patrick Gillette
Sent: Thursday, October 09, 2008 1:30 PM
To: Mcwatters, Ken (MNR)
Cc: Samson, Joanna (MNR); Moreau, Paul (MNR); Leah Deveaux
Subject: RE: Aboriginal Community Participation - OWA Conference

Sensitivity: Confidential

Hi Ken:

Xeneca will follow MNR process and will co-operate fully.

The people I am referring to are Marvin Pelletier Fort William First Nation member and, Quentin Snider Lac Des Mille Lac First Nation member. Both are located in Thunder Bay and work with or as consultants to Xeneca.

I did not give names because who I invite or OWA selects could raise issues.

Cheers,

Patrick

From: Mcwatters, Ken (MNR) [mailto:ken.mcwatters@ontario.ca]
Sent: Thu 09/10/2008 11:27 AM
To: Patrick Gillette
Cc: Samson, Joanna (MNR); Moreau, Paul (MNR)
Subject: RE: Aboriginal Community Participation - OWA Conference

Hi Patrick,

I understand that you are working with Jim Hunton now on this project but you add that you are also working with two other first nations. The MNR has already had a discussion with you on one group and I am curious now as to who the other two FN's would be. While you can venture out on your own, it is MNR that will ultimately be responsible for consultation and I would strongly once again suggest that you keep us involved prior to making contacts so we can ensure you are making the appropriate contacts that will assist MNR in addressing your project. Thanks

Ken

From: Patrick Gillette [mailto:PGillette@xeneca.com]
Sent: Tuesday, October 07, 2008 3:52 PM
To: Samson, Joanna (MNR)
Subject: RE: Aboriginal Community Participation - OWA Conference

Hi Joanna:

Yes it went to Jim Hutton and two other FN folks I am working with. Trying not to play favourites.

Spoke to Jim and he will present it to the Communities tonight; everything is on track so far.

Have a good Thanksgiving.

Cheers,

Patrick

From: Samson, Joanna (MNR) [mailto:joanna.samson@ontario.ca]
Sent: Tue 07/10/2008 2:01 PM
To: Patrick Gillette
Subject: RE: Aboriginal Community Participation - OWA Conference

Hi Patrick,
Who did you send this too? Did it go to Jim Hunton?
Joanna

Joanna M. Samson

Water Resources Coordinator
Ministry of Natural Resources
Pembroke District
Ph: 613.732.5593
Fax: 613.732.2972
Email: joanna.samson@ontario.ca

From: Patrick Gillette [mailto:PGillette@xeneca.com]
Sent: Tuesday, October 07, 2008 1:28 PM
Cc: pnorris@owa.ca
Subject: FW: Aboriginal Community Participation - OWA Conference

I have been contacted by the President of the OWA and they are looking for First Nation representatives to attend this years 2008 Power of Water Conference (October 29). Funding is available, but limited and, is on a First Come First Serve basis.

If you or your Community is interested please contact Paul Norris by e-mail and note you work with Xeneca.

Further information on the conference can be found at www.owa.ca.

Myself or someone from the Company will be in attendance at the conference.

Cheers,

Patrick

From: Paul Norris [mailto:pnorris@owa.ca]
Sent: Tue 10/7/2008 10:48 AM
To: 'CROZZOLI Carlo -HYDRO'; 'Colin Coolican'; Ian Baines; gvisser@axor.com; 'Renaud deBatz'; 'Ian Kerr'; 'Tim Richardson'; 'Tim Saville'; 'StÃ©phane Boyer'; Patrick Gillette
Cc: 'Janelle Bates'
Subject: RE: Aboriginal Community Participation - OWA Conference

Thank you to those who have provided contacts â€” if you have offered this opportunity to a community representative directly, please advise Janelle as soon as possible. Otherwise, I am now outreaching to other communities recommended by INAC and MNR, on the assumption that no additional recommendations will be forthcoming from the membership.

Paul Norris

From: Paul Norris [mailto:pnorris@owa.ca]
Sent: Wednesday, October 01, 2008 3:02 PM
To: 'CROZZOLI Carlo -HYDRO'; 'Colin Coolican'; Ian Baines; gvisser@axor.com; 'Renaud deBatz'; 'Ian Kerr'; 'Tim Richardson'; 'Tim

Saville'; 'StÃfÆ'Ã,Ã©phane Boyer'; 'Patrick Gillette'

Cc: 'Janelle Bates'

Subject: Aboriginal Community Participation - OWA Conference

I have spoken directly with most of you and left messages with those I could not reach. As part of the OWA's ongoing efforts to engage and involve Aboriginal communities active in waterpower projects, I am contacting members with developing relationships to offer the opportunity to invite a key project-specific community representative to the 2008 Power of Water Conference (October 29), at no charge. The OWA has waived the conference fee and has negotiated for some cost recovery for travel and accommodations (15K total). Please consider whether/who you would prefer to invite as a means of furthering your relationship. All that we require is that the representative register (available on our website (www.owa.ca)). Simply ask that they indicate that the registration is complementary (reference your company). Travel and accommodations will be paid on a cost recovery basis.

Paul Norris

President

Ontario Waterpower Association

From: Patrick Gillette

Sent: Friday, October 10, 2008 11:45 AM

To: Mcwatters, Ken (MNR)

Cc: Samson, Joanna (MNR)

Subject: RE: Kinouchepirini First Nation & Petawawa River

Thank Ken; I do appreciate all your efforts and I will do my best...and commit my staff to that effort...to try to make sure we work with you and keep both our lives as simple and peaceful as possible.

Lets setup a time to chat that works for you and I will get all my folks on the line so everyone understands the situation.

As to Grant, I will at your request inform him that I cannot communicate with him as a First Nation Community, but I would like to have Applicant of Record status resolved; i.e., a right to permit the site. Since this will likely involve me being threaten with legal action (are you aware he has a lawyer?) I would like to be Applicant of Record before my life get interesting. Otherwise it might get jammed up in court.

I might also want the Algonquin First Nation through JP2G to provide that direction, but again after Applicant of Record status.

What I think I will do in the interim is go silent based on the fact we are not formally in the consulting stage with anyone and I need to seek advisement from the Crown...

Have a great Thanksgiving and all the best to you and yours; you too Joanna.

Cheers

Patrick

From: Mcwatters, Ken (MNR) [mailto:ken.mcwatters@ontario.ca]

Sent: Fri 10/10/2008 8:16 AM

To: Patrick Gillette

Cc: Samson, Joanna (MNR)

Subject: RE: Kinouchepirini First Nation & Petawawa River

Thanks Patrick – and no I am not upset. I don't get paid extra to be upset. My concerns always lie in how we manage situations to avoid creating issues. Ontario wants renewable power and we are here to help you. The best way to do that is to ensure that we are all talking. There are however challenges inside the Algonquin Land Claim that don't exist anyplace else in Ontario.

I support your actions in addressing Grant as a stakeholder. That is what we do with other non-affiliated Algonquin communities so that is a proper course of action. In asking Grant to provide background information though, I can advise you that he has a significant amount of background information that he can maybe send you – none of which has ever been verified by him or anyone else. Most of what you may get will come word for word from an internet site. I would never suggest you ignore Grant or any stakeholder. We don't.

In the Petawawa River area, it is Jp2g that is the contact for aboriginal people in this part of Ontario. I can explain more to you as to why this is the best way to go. A call on this would be great at some time. I can't do that however until sometime after October 20.

Bottom line – we are here to help with the consultation and we have that responsibility to do that. We will do that in cooperation with your company and we will get through this fine. Of course none of this assures that the site will be approved but we will go through this process to gather all the information we need to help us all.

I hope this helps.

Ken

From: Patrick Gillette [mailto:PGillette@xeneca.com]
Sent: October 10, 2008 12:49 AM
To: Mcwatters, Ken (MNR)
Cc: Samson, Joanna (MNR)
Subject: RE: Kinouchepirini First Nation & Petawawa River

Hi Ken:

I want to assure you that I want to work with you and if I have upset you I apologise.

As requested I did forward Grant's e-mail within hours after it was sent and have done my best as promised to do as you directed. If you so desire, I will seek direction at every point of contact.

Please note, in the Blackberry e-mail response I will forward I neither call him Chief or make a firm commitment to meet. Please note, I am appointing staff to this Project including a Project Manager so I doubt I will be in the Pembroke area again in the next six month or a year. Moreover, I have asked Grant to provide background information. My hope is that the request for background information will be sufficient for Grant to exit the scene. However, if Grant makes a false representation, I will send it to you and this is sufficient for me under the rules to justify limiting contact to a minimum.

My problem is if I ignore Grant or any stakeholder without cause I open myself up to him taking legal action by Xeneca failing to respond to him as a stakeholder. The rules are very clear, I have to record and respond and show I acted in a reasonable manner whenever I am contacted. Otherwise, Grant can file during the 30 day review period a complaint to the Ontario Ministry of Environment and my only protection is to show I recorded the contact and responded. I have one person on this file full time.

If it helps I am happy to do a conference call with Jim Hutton, yourself and I. If all parties are agreeable I would like to include Mark Holmes who is joining Xeneca and will be the Project Manager and Scott Stoll our Counsel from Aird and Berlis. Scott worked on the Five Nation power grid as counsel.

I want to assure you I take this very seriously and want to make sure we manage this process and work with all government agencies and First Nations. Perhaps the answer is if I can be given something in writing requiring all consultation with First Nations to be with JP2G from the Ontario Ministry of Environment and/or CEEA? That letter will protect Xeneca and address your issues; just an idea.

Please believe me, I do not want to talk to Grant, he is contacting me. However, Jim Hutton said it was OK to treat Grant as a stakeholder.

Can I suggest a quick call tomorrow?

Best regards,

Patrick

November 13, 2008

Patrick Gillette
Petawawa Green Electricity Development Inc.
100 Bowood Ave.
Toronto, ON M4N 1Y5

Dear Mr. Gillette:

**SUBJECT: Direct Site Release – Big Eddy Rapids, Petawawa River:
File # WSR-2008-02
Site Description Package**

Please find enclosed a Site Description Package for the proposed Big Eddy Direct Site Release. The Site Description Package will serve to inform you of the known site considerations from MNR's perspective and is to be used for the preparation of the Applicant's Waterpower Site Strategy (WSS).

The *Waterpower Site Release and Development Review* policy outlines that a pre-screening meeting between Pembroke District and the applicant is to be held within 30 days of delivery of the SDP. The pre-screening meeting is to review the SDP and identify the MNR's interests and/or constraints regarding Crown land use, resource management policies, other approved planning documents, and other environmental, resource and public interest issues that the applicant will be required to address in the WSS.

At this meeting:

- The Applicant will be given the opportunity to present to the District their conceptual plan for the development of the waterpower site including identification of key personnel and their roles and responsibilities, the proposed approach to the WSS, and any information or pre-existing studies that may be available to the Applicant.
- The District will advise the Applicant of any known values or concerns which may require further work or review;
- The District will advise the Applicant of the local Aboriginal consultation component and what the Applicant roles and responsibilities will be during the Crown consultation efforts.
- The District will advise the Applicant of the next steps in preparing the WSS.

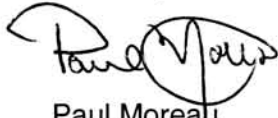
Following the pre-screening meeting, the applicant will have 30 days to submit the Waterpower Applicant Declaration Form. The applicant will then be instructed to prepare a WSS. The applicant will have 120 days to prepare the WSS and during this time, public notification is to occur. A notice to riparian landowners upstream and downstream of the Big Eddy Rapids, in particular those in between the proposed intake of the

diversion channel and where the generating station will be situated is to be included as a part of the public notification.

As you are aware, the Provincial Crown has no legislative jurisdiction over the Half Mile Rapids Waterpower proposal, however, the site is in very close proximity to the Big Eddy Site. As such, and in response to the information request of August 12, 2008 from Ortech Environmental (Scott Manser), the values information contained in the Site Description Package for Big Eddy is very relevant and applicable to the Half Mile Site.

Please contact Joanna Samson, Water Resources Coordinator, at (613) 732-5593 to arrange mutually convenient date for the pre-screening meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Moreau". The signature is stylized with a large, circular flourish on the right side.

Paul Moreau
District Manager
Pembroke District

c: Jim Beal, Southern Region Renewable Energy Coordinator, MNR

c: Scott Manser, Ortech Environmental

attachments: Site Description Package - Big Eddy

In Partnership with Petawawa Green Energy

May 25, 2009

Mr. Paul Moreau
District Manager - PEMBROKE DISTRICT
31 Riverside Drive
Pembroke, ON K8A 8R6

paul.v.moreau@ontario.ca

Dear Mr. Moreau:

Re: Big Eddy Waterpower Site Strategy Extension

Please accept this letter as formal request to extend beyond June 6, the 120 day Waterpower Site Strategy (WSS) period of our site release application (site number 2KB2) for the Big Eddy waterpower development proposed on the Petawawa River.

As you are aware, the site most likely to be impacted is bordered by lands belonging to the Village of Petawawa, Canadian Force Base (CFB) Petawawa and several private land owners.

Key to developing plant and operation design is a careful and thorough survey of the surrounding topography and we have commissioned an experienced and well referenced team from the Ottawa based firm of Terrapoint Canada.

Terrapoint conducts aerial electronic surveying that is accurate within 2 cm. which is ideal for the type of work proposed at the Big Eddy site. Unfortunately, the early onset of snowfall last November postponed the survey until the snowpack dissipated this spring. Subsequently, military activities at the base have also precluded the survey which requires the surveying aircraft to use restricted airspace.

In regular contact with the base, we are assured the survey aircraft will be allowed access to the area by the end of May or early June. We expect the required analysis of survey information to be made available to us and our engineering consultants within 60 days at which point we can develop a much more comprehensive site development plan.

It is our submission that the WSS can be successfully and fully completed by September 8, 2009. Kindly advise if this timeline is acceptable to your office, or, if there are additional questions or comments, do not hesitate to contact myself or Xeneca's President-COO, Patrick Gillette, at 416-590-9362.

Best regards,

Mark Holmes
Vice President, Corporate Affairs
Xeneca Power Development

Ministry of
Natural Resources
31 Riverside Drive
Pembroke, ON
K8A 8R6

Ministère des
Richesses naturelles



June 2, 2009

RECEIVED
JUN 08 2009

Mark Holmes
Vice President, Corporate Affairs
Xeneca Power Development/
Petawawa Green Energy
5160 Yonge St., Suite 520
Toronto, ON
M2N 6L9

Dear Mr. Holmes:

SUBJECT: Preparation of Waterpower Site Strategy – Extension
File # WSR-2008-02

Thank you for your letter dated May 25, 2009 requesting an extension to the submission date for the Waterpower Site Strategy (WSS) for the Big Eddy waterpower development proposal. The current submission date for the WSS is June 27, 2009.

You have requested a revised submission date of September 8, 2009 to allow for Terrapoint Canada's survey which is key information for the preparation of the WSS. Your request for an extension is acceptable and the WSS is now to be submitted to my attention by **September 8, 2009**.

If you have any questions or concerns regarding the preparation of the WSS, please contact Joanna Samson, Water Resources Coordinator, at (613) 732-5593 or through email at joanna.samson@ontario.ca.

Sincerely,

A handwritten signature in blue ink that reads "Paul Moreau".

Paul Moreau
District Manager
Pembroke District

c: Jim Beal, Southern Region Renewable Energy Coordinator, MNR

Ministry of
Natural Resources
31 Riverside Drive
Pembroke, ON
K8A 8R6

Ministère des
Richesses naturelles



June 2, 2009

RECEIVED
JUN 08 2009

Mark Holmes
Vice President, Corporate Affairs
Xeneca Power Development/
Petawawa Green Energy
5160 Yonge St., Suite 520
Toronto, ON
M2N 6L9

Dear Mr. Holmes:

SUBJECT: Preparation of Waterpower Site Strategy – Extension
File # WSR-2008-02

Thank you for your letter dated May 25, 2009 requesting an extension to the submission date for the Waterpower Site Strategy (WSS) for the Big Eddy waterpower development proposal. The current submission date for the WSS is June 27, 2009.

You have requested a revised submission date of September 8, 2009 to allow for Terrapoint Canada's survey which is key information for the preparation of the WSS. Your request for an extension is acceptable and the WSS is now to be submitted to my attention by **September 8, 2009**.

If you have any questions or concerns regarding the preparation of the WSS, please contact Joanna Samson, Water Resources Coordinator, at (613) 732-5593 or through email at joanna.samson@ontario.ca.

Sincerely,

A handwritten signature in blue ink that reads "Paul Moreau".

Paul Moreau
District Manager
Pembroke District

c: Jim Beal, Southern Region Renewable Energy Coordinator, MNR

September 23, 2008

Chief Kirby Whiteduck (ANR Contact)
Algonquins of Pikwàkanagàn
1657A Mishomis Inamo
Pikwàkanagàn Golden Lake, ON K0J 1X0

Dear Chief Whiteduck:

**SUBJECT: Waterpower Application
Big Eddy Rapids, Petawawa River**

This letter is to advise you that the Ministry of Natural Resources (MNR) has accepted an application for a waterpower development at the big Eddy Rapids on the Petawawa River by Petawawa Green Electricity Development Inc. The proponent was successful in obtaining a lease agreement with the Town of Petawawa and with the Federal Government, who each own a bank of the river. The Provincial Crown retains ownership of the bed of the river at this location and as such, the MNR's Waterpower Direct Site Release process applies.

Over the next several months, the applicant must demonstrate to MNR their intent, means, and knowledge in developing a waterpower structure at this site. If successful in fulfilling the requirement of the Direct Site Release process, Applicant of Record status will be awarded to the proponent. This status allows the proponent to apply for the necessary approvals to construct and operate a waterpower facility. The proponent will have to fulfill federal, provincial, municipal and environmental assessment requirements prior to any authorizations or approvals being issued.

No rights or tenure are associated with the acceptance of the application or with achieving Applicant of Record status. MNR has not given any approval for the proposed project.

If you and the appropriate Algonquin Negotiation Representatives are interested at this stage in participating in a meeting with the proponent, we are willing to set one up.

Yours Truly,

Original signed by Ken McWatters

Ken McWatters
Resource Liaison Officer
Pembroke District

c: Jp2g Consultants Inc., 12 International Drive, Pembroke, Ontario, K8A 6W5

September 23, 2009

Patrick Gillette
President
Xeneca Power Development/
Petawawa Green Energy
5160 Yonge St., Suite 520
Toronto, ON
M2N 6L9

RECEIVED
OCT 01 2009

Dear Mr. Gillette:

**SUBJECT: Submission of Big Eddy Waterpower Site Strategy
File # WSR-2008-02**

The Waterpower Site Strategy (WSS) for the Big Eddy Rapids site was received by my office September 10, 2009. After a preliminary review of the WSS, concerns have been raised as the preferred design concept for the site now includes a control structure.

Your initial application, submitted April 2008, included a dam/weir structure at this site that had the potential to flood private land. Prior to the acceptance of your application we indicated to you that the *Waterpower Site Release Policy and Procedures* are clear that certain requirements must be met for the application to be deemed complete. Section 3.1.1b) of the Procedures outlines what must accompany the application with respect to legal agreements with abutting landowners, written comments from backshore owners, and written agreements by impacted private landowners who's land may be inundated.

Your application was then revised and re-submitted in August 2008. The revised application did not include a weir and as such agreements with abutting landowners and comments from backshore owners were not required to accept the application at that time as private land was not going to be inundated.

At the pre-screening meeting February 6, 2009, MNR re-iterated that putting forward a design concept that included a dam or weir may be acceptable, however, additional requirements with respect to riparian owners and backshore owners, will need to be addressed up front.

Section 3.1.2 of the WSS outlines a development concept that includes the construction a control structure consisting of a concrete dam fitted with an Obermeyer type spillway gate. This control structure would raise the headpond level and is estimated to flood back approximately 1.6 km of the Petawawa River, inundating approximately 9.8 ha in area.

The WSS indicates that agreements with riparian landowners exist and that the land to be inundated is also owned by two privately owned companies, H & H Construction and 1456649 Ontario Inc.. However, we are only aware of the agreement with CFB Petawawa and the one with the Town of Petawawa for the portions of the road allowance owned by the town.

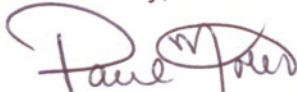
Prior to the full evaluation of the WSS, we require the following information from you:

- A copy of the agreement or some form of legal understanding with the owner of property 570950014 (1456649 Ontario Inc.).
- Written comments from the backshore owner of property 570950015.
- A land tenure map showing the exact location on the southern shoreline where the dam will be situated. It is difficult to tell from your mapping if the structure will be completely on the road allowance. However, the records we pulled indicate that the road allowance fronting property 570950015 is not owned by the Municipality. Rather they indicate that it is a part of property 570950014 (1456649 Ontario Inc.). Please clarify.
- A copy of the legal agreement with the owner of property 570950421 (H & H Construction)
- A copy of the written comments received from TCPL as noted in the WSS.

The 60 day evaluation window for the WSS will not commence until the requested information is received by my office.

If you have any questions or concerns please contact Joanna Samson, Water Resources Coordinator, at (613) 732-5593 or through email at joanna.samson@ontario.ca.

Sincerely,



Paul Moreau
District Manager
Pembroke District

c:

Jim Beal, Southern Region Renewable Energy Coordinator, MNR

Mark Holmes, Vice President, Xeneca Power Development/Petawawa Green Energy

Ministry of Natural
Resources

Office of the Minister

Room 6630, Whitney Block
99 Wellesley Street West
Toronto ON M7A 1W3
Tel: 416-314-2301
Fax: 416-314-2216

Ministère des Richesses
naturelles

Bureau du ministre

Édifice Whitney, bureau 6630
99, rue Wellesley Ouest
Toronto (Ontario) M7A 1W3
Tél.: 416-314-2301
Télééc.: 416-314-2216



September 24, 2009

Mr. Patrick Gillette
Petawawa Green Electricity Development Inc.
2395 Speakman Drive
Mississauga ON L5K 1B3

RE: Waterpower on Crown Land Acknowledgement Letter

Dear Mr. Gillette:

The purpose of this letter to provide further information related to your Crown land application(s).

Please refer to the attached application listing, map(s) and information template(s) which provide very important information related to your application area(s). The template(s) also provide some direction to assist you in conducting research related to your application area(s).

Upon approval, the Ontario Power Authority will make available the final Feed-in-Tariff (FIT) rules on their website at: www.powerauthority.on.ca.

The governments of Ontario and Canada are currently in negotiations with the Algonquins of Ontario relating to the potential resolution of the Algonquins' comprehensive land claim. If your application is located in eastern Ontario it may fall within the Algonquin consultation area. A map of the consultation area can be found at the Ontario Ministry of Aboriginal Affairs website at <http://www.aboriginalaffairs.gov.on.ca/english/negotiate/algonquin/map.asp>.

Ontario, Canada and the Algonquins have recently signed a Consultation Process Interim Measures Agreement which requires that Ontario and Canada consult with the Algonquins on potential dispositions and encumbrances on Crown land within the claim area that may adversely affect any Aboriginal rights that the Algonquins may have. The government may therefore be required to consult with the Algonquins in respect of your application if it falls within the area set out in the map referenced above. In addition, you should be aware that preliminary discussions related to the land selection component of the Algonquins' claim are now underway and a portion of the Crown lands within the area will be impacted. Early engagement with the Algonquins of Ontario by applicants whose applications fall within the consultation area is highly recommended. Further information related to this consultation process will be provided by MNR staff.

In order to maintain priority position within MNR's site release process, you must submit an application to the FIT program within the FIT program launch period. Following the outcome of the Ontario Power Authority's FIT launch application process, the status of all Crown land applications will be reviewed and applicants will be contacted regarding the status of each of their applications.

This letter and the attached mapping information do not in any way constitute any commitment, obligation or approval of your project by the Government of Ontario. Should you decide to proceed with your application(s) it will be necessary for you to follow all processes outlined in any applicable policies, procedures or guidance material and to ensure that you adhere to all applicable federal and provincial legislation, as well as relevant municipal bylaws.

This letter does not authorize any activity, work or undertaking and does not grant any right to flood or enter onto Crown land or the land of any other person without first obtaining the Crown's or that person's consent, nor does it authorize any infringement of the rights of the Crown or of any other person.

It should be noted that areas may be subject to various land-ownerships, permits, licenses or leases (such as permits/tenure issued under the Aggregate Resources, Public Lands or Crown Forest Sustainability Acts). As outlined in MNR's policies and procedures, it is important that applicants discuss their area of interest with the local MNR District Office in order to have a full understanding of all activities that a particular area may be subject to. While additional information will be provided to you throughout the review and environmental approvals processes, you are strongly encouraged to conduct as much research as possible related to your specific application area(s).

The map(s) that you have been provided represents preliminary information that was obtained through a high level geospatial review of your application area based on the information available at the time. The map(s) should only be considered as a tool to help you conduct further reviews related to your application area(s), not as a definitive source of all information related to this land base. The information provided on the map(s) is generally related to land tenure and does not take into consideration specific land use planning, environmental and natural resources values.

All proposed Crown land dispositions are subject to the duty to consult with Aboriginal communities in the area.

The resolution of any legal/ landowner issues or claims that may be made relative to these lands or any other lands required to develop any potential project and/or associated infrastructure is the sole responsibility of the applicant.

If you have any questions or concerns regarding your application(s), please contact Jennifer Keyes, Manager, Renewable Energy Section at 705-755-5041.

Thank you for your interest in waterpower in Ontario.

Sincerely,



Donna Cansfield
Minister of Natural Resources

Application Status/ Fact Sheet - Waterpower on Crown land

PLEASE READ ALL OF THE FOLLOWING IN DETAIL AS IT CONTAINS KEY INFORMATION RELATED TO YOUR APPLICATION

Applicant's Name: Petawawa Green Electricity Development Inc.
Application #: WSR-2008-002
Site #: 2KB21
File Status: Application Received
MNR Region/ District: Southern/ Pembroke

Big Eddy

This documentation (Application Status/ Fact Sheet and required mapping/ grid cell listing) will serve as acknowledgement of this application. In addition, it will meet the submission requirements for Crown Land Access Rights as required by the Ontario Power Authority.

MNR's Renewable Energy Extranet site is a useful resource and is available at:
http://www.mnr.gov.on.ca/en/Business/Renewable/2ColumnSubPage/STEL02_167279.html

Algonquin Land Claim:

The governments of Ontario and Canada are currently in negotiations with the Algonquins of Ontario relating to the potential resolution of the Algonquins' comprehensive land claim. If your application is located in eastern Ontario it may fall within the Algonquin consultation area. A map of the consultation area can be found at the Ontario Ministry of Aboriginal Affairs website at
<http://www.aboriginalaffairs.gov.on.ca/english/negotiate/algonquin/map.asp>.

Ontario, Canada and the Algonquins have recently signed a Consultation Process Interim Measures Agreement which requires that Ontario and Canada consult with the Algonquins on potential dispositions and encumbrances on Crown land within the consultation area that may adversely affect any Aboriginal rights that the Algonquins may have. The government may therefore be required to consult with the Algonquins in respect of your application if it falls within the area set out in the map referenced above. In addition, you should be aware that preliminary discussions related to the land selection component of the Algonquins' claim are now underway and a portion of the Crown lands within the area will be impacted. Early engagement with the Algonquins of Ontario by applicants whose applications fall within the consultation area is highly recommended. Further information related to this consultation process will be provided by MNR staff.

Duty to Consult:

All applications are subject to the Crown's Duty to Consult with regard to Aboriginal Communities.

Far North:

In June 2009, Bill 191, an Act with respect to land use planning and protection in the Far North was introduced into the legislature. The Bill is currently at first reading. Proponents with potential projects within the Far North area are encouraged to review this proposed legislation consider the potential implications relative to their project(s). As with all proposed legislation, there may be changes to the proposal during first and second readings. Upon receiving Royal assent, the provisions of this Bill will be Law within Ontario and will be considered in reviewing your application.

Under Bill 191, the Far North of Ontario is described as:

- (a) the portion of Ontario that lies north of the land consisting of,
 - (i) Woodland Caribou Provincial Park,
 - (ii) the following management units designated under section 7 of the Crown Forest Sustainability Act, 1994 (CFSA) as of May 1, 2009: Red Lake Forest, Trout Lake Forest, Lac Seul Forest and Caribou Forest,
 - (iii) Wabakimi Provincial Park, and
 - (iv) the following management units designated under section 7 of the Crown Forest Sustainability Act, 1994 as of May 1, 2009: Ogoki Forest, Kenogami Forest, Hearst Forest, Gordon Cosens Forest and Cochrane-Moose River Forest.

The proposed regulation plan for this boundary description is available at:

http://www.web2.mnr.gov.on.ca/FarNorth/BoundaryMaps/Boundary_Line_English.htm

Further information related to the Far North is available at:
<http://www.mnr.gov.on.ca/en/Business/FarNorth/2ColumnSubPage/266506.html>

Forestry:

The majority of Ontario north, of Highway #7, and south of the Far North Planning area as described above, is within the "area of the undertaking" for Forest Management planning and active Forest Management operations are ongoing. MNR District Offices can provide specific information regarding current and approved forest management operations and will be able to facilitate contact with holders of Forest Resource Licenses to discuss potential challenges and opportunities associated with the applicable waterpower project.

Further information related to Forest Management Planning is available at:
http://www.mnr.gov.on.ca/en/Business/Forests/2ColumnSubPage/STEL02_163511.html

Land Use:

All applicants are strongly encouraged to conduct investigation of their application area using MNR's Crown Land Use Policy Atlas (CLUPA) to determine if there are Land Use Planning constraints that may affect their ability to develop waterpower on this site. A link to CLUPA is available through the renewable energy extranet site at: <https://www.extranet.mnr.gov.on.ca/renewable/>.

The information provided on the enclosed map is illustrative in nature and based on the best available data at the time of production. Additional information may be identified as the proponent proceeds through MNR's site release process.

It should be noted that areas may be subject to various land-ownerships, permits licenses or leases (such as permits/tenure issued under the Aggregate Resources, Public Lands or Crown Forest Sustainability Acts) which are not shown on the enclosed map. As outlined in MNR's policies and procedures, it is important that applicants discuss their area of interest with local MNR district office staff in order to have a full understanding of all activities that a particular area may be subject to.

We note that the nature of land tenure and permitting related to Crown and private lands in Ontario is extremely complex and it is recommended that proponents retain expert advice in this regard.

Application Map

Mining Claims:

These are areas which have been staked under the Mining Act, further information related to the status of these claims and other general information related to mining staking and mining lands is available at the Ministry of Northern Development and Mines CLAIMaps website. A link to this website is available on the, "Land Use Information" tab of the Renewable Energy Extranet site.

Private Land and/or Surface/Mining Dispositions:

These are areas of private land or areas which are subject to some form of disposition (such as a lease or mining patent).

Information related to the status of these lands is generally obtained through the appropriate land registry office, a link to this website is available on the, "Land Use Information" tab of the Renewable Energy Extranet Site.

Additional information related to mining lands dispositions is available at the Ministry of Northern Development and Mines CLAIMaps website. A link to this website is available on the, "Land Use Information" tab of the Renewable Energy Extranet site.

In some situations, dispositions may be of a nature (such as; land use permits or licenses of occupation) where details are not available through land registry offices or ClaimMaps. Information related to these types of dispositions would be available through the appropriate Ministry of Natural Resources local district office, a link to these offices is available on the "Contact Us" tab of the Renewable Energy Extranet site.

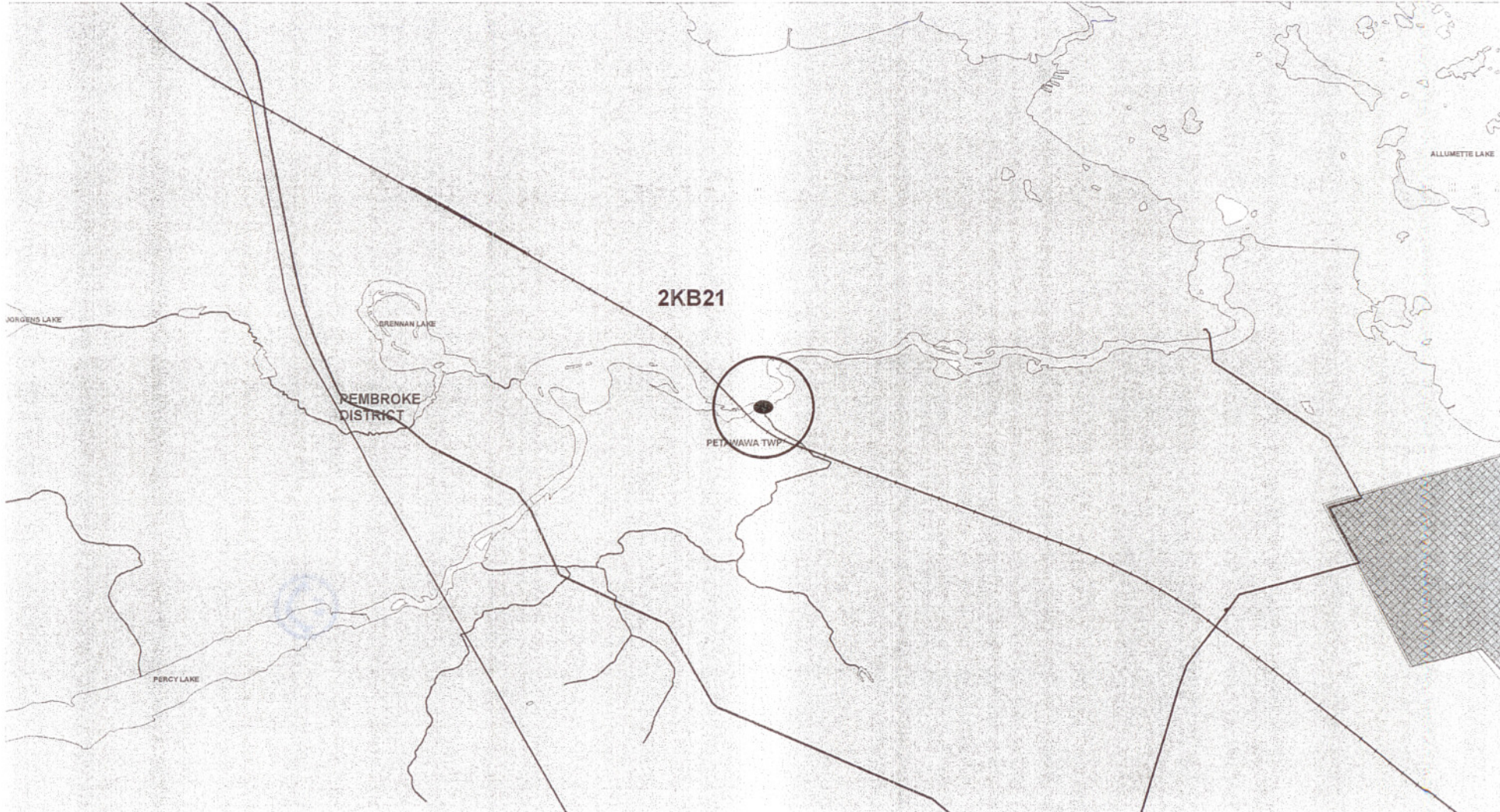
Disclaimer

While every attempt has been made to ensure accuracy of the information provided, it is possible that additional tenure, legal or other issues may be revealed through further application review and approvals processes.

MNR APPLICATION MAP

MINISTRY OF NATURAL RESOURCES

WSR-2008-002



WATER POWER APPLICATION

● WATERPOWER SITE

LAND USE TENURE

■ MINING CLAIM

□ PRIVATE LAND AND/OR SURFACE / MINING DISPOSITIONS



PROTECTED AREA (PROVINCIAL PARK, CONSERVATION RESERVE, WILDERNESS RESERVE AREA)

— RAIL

— ROADS

— UTILITY LINE



1:25,267



NOTES/DISCLAIMER:

THE INFORMATION PROVIDED IS ILLUSTRATIVE IN NATURE BASED ON THE BEST AVAILABLE DATA AT THE TIME OF PRODUCTION. ADDITIONAL INFORMATION WILL BE DISCLOSED AS FURTHER INVESTIGATION AND STUDIES ARE CONDUCTED AT A LOCAL LEVEL.

NOT WITHSTANDING THE DUTY TO CONSULT WITH ABORIGINAL COMMUNITIES.

LANDS IN ONTARIO, INCLUDING MNR MANAGED CROWN LANDS, MAY BE SUBJECT TO A VARIETY OF LEGAL OWNERSHIP AND/OR OTHER CLAIMS SUCH AS PRIVATE OWNERSHIP, LEASED/LICENCED LANDS, MINING CLAIMS, PROTECTED AREAS AND ABORIGINAL LANDS CLAIMS. IT IS THE RESPONSIBILITY OF THE APPLICANT/PROFESIONET TO CONDUCT THE REQUIRED ANALYSIS RELATED TO THESE ISSUES FOR THEIR RESPECTIVE APPLICATION AREA.



5160 Yonge St., Suite 520, Toronto, ON M2N 6L9
tel 416-590-9362 fax 416-590-9955 www.xeneca.com

October 28, 2009

Mr. Paul Moreau
District Manager
Pembroke District
31 Riverside Drive
Pembroke, ON K8A 8R6

Re: MNR Response to WSS for file # WSR-2008-02

Dear Mr. Moreau:

Thank you for your September 23 response to our Waterpower Site Strategy (WSS) for the Big Eddy site on the Petawawa River within the Town of Petawawa.

With respect to MNR's primary concern regarding the option of placing a water control structure in the river, we wish to reiterate that there are two options, one of which is designed without an in-river structure.

After several technical discussions with our engineering consultants at Hatch, we are unsure of whether or not a structure in the river is the best option. The plant can operate without a water control structure, and as noted in the WSS, it may be the most economical option because it removes the cost of this structure. However, a water-control structure may have merits which include the possibility of improved recreational activities such as kayaking and that such a structure could assist with flood control.

Frankly, we believe it best to keep options open until stakeholders have had the opportunity to weigh in with their respective issues, preferences and suggestions.

Regarding your comments on riparian landowners, we are cognizant of the concerns raised. As noted in our WSS, signed agreements with landowners have been obtained, and it is the opinion of our legal advisors that land owner issues have been addressed. A letter outlining how the issues have been dealt with will be sent to you shortly.

Further to the land access issues you have raised, we wish to bring your attention the Minister Donna Cansfield's "Waterpower on Crown Land Acknowledgement letters". (Letter has been received for Big Eddy). It is our understanding that the letter empowers the applicant to apply for a Feed-In Tariff (FIT) contract with the Ontario Power Authority and, once approved for a FIT contract, the applicant would move directly into the EA process and subsequent permitting. During the EA and subsequent permitting all MNR questions and issues would be addressed in a concurrent process.

Given that your Minister has made provisions for timely site release, we would propose the District accept the WSS and grant Applicant of Record Status with the following provisions:

1. That the project obtain a FIT contract by December 31, 2010.
2. That the Proponent agrees to address all District concerns within the REA (EA) process.

We believe that by doing so the Pembroke District MNR will be able to transition this project to meet the objectives of the Green Energy Act while protecting the public interest.

In the meantime, Petawawa Green Electricity will continue with its obligations to consult with First Nations and the various individual and group stakeholders.

Should your office have unresolved technical questions, we would be pleased to offer your team the opportunity to speak directly with our engineering consultants at Hatch. Should you wish to do so we can arrange a meeting or teleconference for you at a mutually accepted time and/or place.

Best regards,

Mark Holmes
Vice President, Corporate Affairs

January 6, 2010

Mr. Paul Moreau
District Manager
Ministry of Natural Resources
Pembroke District
31 Riverside Drive
Pembroke, ON
K8A 8R6

Dear Mr. Moreau,

RE: Waterpower submissions to the Ontario Power Authority's Feed In Tariff program.

We would like to make you aware of the Waterpower on Crown Land Acknowledgement Letter, issued by the Minister of Natural Resources, Donna Cansfield, concerning an MNR site in your district:

- 2KB21 (as per applicant Petawawa Green Electricity Development Inc. and Xeneca LP)

As per the direction outlined in the attached letter from Minister Cansfield, Petawawa Green Electricity Development Inc. (ie., the Applicant) along with Xeneca LP (ie., the Applicant Team) have submitted the above MNR site to the Ontario Power Authority's ("OPA") Feed In Tariff ("FIT") Launch program.

Xeneca Power Development Inc., on behalf of the Applicant, will initiate the task of scoping the environmental issues in preparation for field studies in the spring of 2010 in compliance with the Ministry of Environment's Renewable Energy Approval process (i.e., Waterpower Class EA). Field studies will commence only if the OPA issues a FIT contrac. If not already done so, we request that your staff issue Site Description Packages for each site listed above and provide whatever assistance possible in order to complete this scoping task.

Attached are Letters of Authorization from the Applicants for Xeneca to act on their behalf.

We will follow-up with your office once the statuses of the FIT submissions are known.



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tel 416-590-9362 fax 416-590-9955 www.xeneca.com

Please direct any question as it relates to the OPA's issuance of FIT contracts for all projects to myself, Vanesa Enskaitis. I have provided my contact information below.

Thank you for your kind consideration of these matters.

Yours very truly,

A handwritten signature in blue ink, appearing to read "V. Enskaitis", is written over the typed name.

Vanesa Enskaitis
Public Affairs Liaison

Xeneca Power Development
5160 Yonge St.
Suite 520
North York, ON
M2N 6L9

T: 416-590-9362 X 104
F: 416-590-9955
E: venskaitis@xeneca.com



5160 Yonge St., Suite 520, Toronto, ON M2N 6L9
tel 416-590-9362 fax 416-590-9955 www.xeneca.com

September 24, 2009

To whom it may concern:

Petawawa Green Electricity Development Inc. has authorized Xeneca Power Development Inc. ("Xeneca") to act on the Applicant's behalf on matters concerning Waterpower Site Applications in the Province of Ontario. Applicant is:

- **Petawawa Green Electricity Development Inc.**

Sites currently under consideration by the Crown are:

- **Big Eddy at CNR Bridge (WSR-2008-02)**
- Half Mile Rapids

For clarity, Xeneca is authorized to take whatever actions it deems reasonable unless this letter is withdrawn by the Applicant in writing.

Yours very truly,

A handwritten signature in blue ink, appearing to read "Uwe Roeper", written over a large, stylized blue circular scribble.

Uwe Roeper
President
Petawawa Green Electricity
Development Inc.

A handwritten signature in blue ink, appearing to read "Patrick W. Gillette", written in a cursive style.

Patrick W. Gillette
President & COO
Xeneca Power Development Inc.

February 3, 2010

Mr. Paul Moreau
District Manager
Ministry of Natural Resources
Pembroke District
31 Riverside Drive
Pembroke, ON
K8A 8R6

Re: Waterpower Project Status

Dear Mr. Moreau,

With respect to MNR's renewable energy site release process, we have been notified by a third party requesting the current status of our projects. Listed below is the MNR site in your District for which an application to the OPA's FIT launch program has been submitted:

- 2KB21

Please confirm the current status of each project, based on the following stages:

1. Application Fee Processed
2. MNR Provides Site Description Package
3. MNR and Applicant Scoping Meeting
4. Waterpower Application Declaration Form submitted
5. Aboriginal Community Engagement undertaken
6. a) District Manager Decision to proceed
b) District Manager Decision to delay
c) District Manager Decision to cancel
7. Public Notification undertaken
8. Applicant of Record awarded



5160 Yonge St., Suite 520, Toronto, ON M2N 6L9
tel 416-590-9362 fax 416-590-9955 www.xeneca.com

Thank you for your prompt response to this enquiry. We look forward to hearing back from you.

Yours truly,

A handwritten signature in blue ink, appearing to read "V. Enskaitis".

Vanesa Enskaitis

Public Affairs Liaison
Xeneca Power Development
T: 416-590-9362 X 104
F: 416-590-9955
E: venskaitis@xeneca.com

February 8, 2010

Mr. Paul Moreau
Pembroke District Manager
Ministry of Natural Resources
31 Riverside Drive
Pembroke, ON K8A 8R6

Paul:

Thank you for taking the time during our February 3 telephone call to discuss some of the issues listed below. We remain optimistic that our respective offices will be able to find solutions in a timely fashion, and I will follow up with you on February 22, 2010.

In the meantime, kindly consider the points listed below.

Your January 22, 2010 e-mail states, "If you are successful in obtaining a FIT contract for the Big Eddy Site; you will need Applicant of Record Status prior to proceeding with your Notice of Commencement under the OWA Class EA."

In fact, the Class EA indicates that:

"Prior to commencing the EA process, projects on provincial Crown land will have satisfied appropriate requirements of the Ministry of Natural Resources' Waterpower Site Release and Development Review process. As such, considerable initial information may already have been assembled by the proponent and relationships with government agencies and stakeholders may already have been established. Proponents must be aware of and comply with any appropriate conditions that may result from MNR's Site Release and Development Review process."

This general statement is provided under the Section 1.3 (Purpose) of the Class EA and, as such, does not prescribe that the proponent achieves Applicant of Record status as a condition of commencing Environmental Assessment. A decision in this regard would be at the proponent's discretion and, of course, commercial risk. As we review the current EBR posting, MNR site release process and assignment of Applicant of Record Status is now to be focused on two well defined areas.

1. That the site is not located where there is a defined legislative regulatory or policy prohibition on development.
2. That the identified Aboriginal communities have been notified of, and, as appropriate, engaged in the development.

As you are aware, Petawawa Green Electricity Inc. and its parent company, Xeneca Power Development, have clearly demonstrated that, with respect to the Big Eddy waterpower development:

- the identified site of development and impact is not located in a park or otherwise restricted area;
- arrangements have been made with all affected riparian landowners, including the Town of Petawawa, CFB Petawawa and private landholders.

This should satisfy point one.

Regarding point two concerning Aboriginal Communities; under the Direct Site release policies there is no onus on the Applicant to commence consultation prior to commencement of the Class EA. However, we have voluntarily contacted the First Nations and commenced consultation through the firm of Jp2g, and will consider forming a business relationship. This should more than satisfy point two.

With respect to your comment that, *"Although the site release policy and procedure are currently under review, the current process has not changed,"* we respectfully submit that, given the provisions of the Green Energy, Green Economy Act (GEA), Pembroke District should, at this juncture, award Applicant of Record status. Moreover, it's our understanding the WSS process is to be abandoned so the Applicant may have already surpassed the necessary steps required to award Applicant of Record, and the WSS can be used to accelerate the Class EA process. Formal Site release and location approval involving MNR through LRIA and the PLA will occur following Class EA Notice of Completion.

Furthermore, with respect to your written comment, *"As discussed when we met with you last week, the district is in the process of reviewing the WSS. The next stage would be to award unconditional or conditional Applicant of Record Status if warranted, however; there may be outstanding issues that will need to be resolved prior to that occurring. For example, Algonquin concerns will need to be addressed (yes MNR will lead this) as you are aware and the submission of the schedules in the lease agreement with H & H will also need to be submitted,"* we have several concerns that have been outlined to you:

1. The site was released under the Direct Site Release process. MNR has the responsibility to provide notification to the First Nations as the project progresses, but, at this stage, the next notification is after Applicant of Record is issued. There are no consultation responsibilities until after the Class EA commences. Please see enclosures.
2. The WSS is no longer a part of the proposed renewable energy development process.
3. There is no requirement under the Direct Site Release process beyond notification of First Nation Communities. Proponent consultation responsibilities commence with the Waterpower Class EA. Please see enclosures.
4. Schedules for commercial agreements are NOT required by MNR until tenure is granted -- much later in the development process.

To be clear, the Applicant supports MNR commencing consultation with the First Nation communities and will continue to support that effort. However, the process is very clear, and Crown Consultation commences once the Class EA is initiated by the proponent. The Applicant supports that effort. The Applicant cannot find any justification to delay Applicant of Record as it relates to First Nation issues concerning a Direct Site Release either under the policy and procedures or existing law.

Since the WSS is no longer a document requiring assessment and First Nation Consultation is triggered after the Class EA commences, the Applicant is unaware of any issues that should delay the award of Applicant of Record. Could the MNR please outline what these issues are and, moreover, why they cannot be addressed in parallel with the Proponent's Class EA process?

As a final observation, this Project is being built on Federal lands with the exception of the possible use of the river bed over which the Provincial Crown may have jurisdiction. This should simplify decision making and allow the Project to proceed.

We wish to continue working with your office as we proceed through development of the Big Eddy project and value MNR's input.

If you have questions regarding the renewable energy development process as outlined above, we urge you to contact:

Carrie Heyward, Regional Director,
Eric Boysen, Director, Biodiversity and Renewable Energy Branch,
Ken Cain, Manager Policy and Program Section, or
Jim Beal, Regional Renewable Energy Coordinator .

Regards,

A handwritten signature in blue ink, appearing to read 'Mark Holmes', with a long horizontal flourish extending to the right.

Mark Holmes
Vice President, Corporate Affairs
Xeneca Power Development Inc.

May 13, 2010

Paul Moreau
District Manager
Pembroke District MNR
31 Riverside Drive
Pembroke, ON K8A 8R6

Dear Mr. Moreau,

As you may be aware, Xeneca Power Development Inc. and Xeneca LP (i.e., "the Applicant") have been awarded FIT contracts on the following sites in your District:

Big Eddy – MNR site # 2KB21

I want to thank your District for your assistance in making this possible.

Upon review, you may be aware the Ontario Power Authority ("OPA") schedule will prove challenging to both the Applicant and the affected government Ministries as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we are requesting the following:

- Notifications to be issued or reissued to the First Nation's Communities as per the MNR Policy and Procedures.
- MNR consultation commence at the earliest opportunity with the First Nation Communities with a focus on bringing the parties together to discuss a business relationship. Environmental and technical issues can be discussed from a process and issue perspective, but given the project(s) are at a preliminary stage answers to these issues need to be deferred to the Class EA for Waterpower; this is aligned with the current policy.
- The Applicant be allowed to start its Business Relationship discussions at the earliest opportunity with the First Nation Communities.

To meet the Ministry of Natural Resources requirements under its Policy and Procedures, please find enclosed a Letter to the District copied to the Minister of Energy and Industry Office (i.e, the process window) outlining the Applicant's commitment to meeting the objectives outlined in ***Waterpower Site Release – Crown Land (PL.4.10.05), Section 2.2*** concerning “economic opportunities for Aboriginal communities.”

Further, the Applicant requests that, if not already provided, the ***Waterpower Applicant Declaration Form*** for the projects be provided with any information (e.g., Site Description Package) on the site as soon as possible. Applicant request to defer any further process or meetings; it has determined the site is viable and wishes to proceed and will sign-back this form in a timely manner.

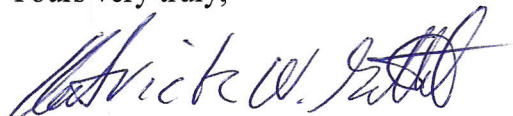
Please note the Applicant is prepared to meet with the District by teleconference to discuss any issues, but suggests this step be taken once MNR has completed its First Nation consultation and is prepared to allow the Applicant to proceed to Business to Business discussions with the First Nation Communities and initial inter agency meetings have occurred.

Applicant requests that MNR District Office participate in the inter-agency meetings in preparation to for “Notice of Commencement,” of the Waterpower Class Environmental Assessment and that the District Office expedite the issuance of any permits from the Applicant and/or its consultants in order to conduct studies on the Project; e.g., Habitat or Archeological. Applicant requests the District provide any further site information within that process once the ***Waterpower Applicant Declaration Form*** has been signed and returned.

Finally, the Applicant also requests that the District outline in a timely manner current issues that need to be addressed during the ***Class Environmental Assessment for Waterpower Projects*** and prior to issuance of Location Approval.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours very truly,



Patrick W. Gillette
President & COO

May 13, 2010

Paul Moreau
District Manager
Pembroke District MNR
31 Riverside Drive
Pembroke, ON K8A 8R6

Dear Mr. Moreau,

I am writing concerning:

Big Eddy – MNR site# 2KB21

As the Applicant, we wish to outline our commitment to meet the ***WATERPOWER SITE RELEASE – CROWN LAND*** (PL 4.10.05) issued April 16, 2010. Specifically the goals as they relate to Aboriginal peoples Section 2.2:

- a. *“fulfill its duty to consult with Aboriginal peoples where its actions may adversely affect an established or asserted Aboriginal or treaty right;” and*
- b. *“support creation of environmentally sustainable economic opportunities for Aboriginal communities through the disposition of Crown land for greenfield sites.”*

Applicant is prepared to support the Crown’s consultation responsibilities and request at the earliest opportunity discussions concerning what will be required during the ***Class Environmental Assessment for Waterpower Projects***.

Applicant is also prepared to enter into open-ended discussions concerning environmentally sustainable economic opportunities for Aboriginal communities. Applicant is prepared to enter into these discussions once the Ministry of Natural Resources has completed appropriate processes as they related to FIT/ECT projects.

Thank you for your kind consideration and we look forward to work with you concerning these Policy goals.

Yours very truly,

Patrick W. Gillette
President and COO
cc. Minister of Energy and Industry (Process Window).

June 10, 2010

Mr. Paul Moreau
District Manager
Pembroke District MNR
31 Riverside Drive
Pembroke, ON K8A 8R6

Dear Mr. Moreau,

As follow-up to our May 13th letter to your office, please find enclosed information related to waterpower development under Ontario Power Authority's ("OPA") Feed in Tariff ("FIT") Contract within the Pembroke MNR District.

The project is:

Big Eddy - MNR site # 2KB21

The attached map on CD will provide greater clarity on the location of the project. If required, supplementary maps are available upon request.

Further, please find attached:

- A draft Notice of Commencement for the Waterpower Class EA
- A brief project description
- Copies of correspondence to your office regarding our project.

Upon review, you may be aware the OPA schedule will prove challenging to both Xeneca and the affected government ministries, as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we request the following:

1. Notifications to be issued or reissued to the First Nation's Communities as per the MNR Policy and Procedures.



2. MNR consultation to commence at the earliest opportunity with the First Nation Communities with a focus on bringing the parties together to discuss a business relationship. Environmental and technical issues can be discussed from a process and issue perspective, but given the project(s) are at a preliminary stage, answers to these issues need to be deferred to the Class EA for Waterpower; this is aligned with the current policy.
3. Permission granted to Xeneca to begin its Business Relationship discussions at the earliest opportunity with the First Nation Communities.

Further, we request that that MNR District Office expedite the issuance of any permits from Xeneca and/or its consultants in order to conduct studies on the Project; e.g., Habitat or Archeological. We also request the **Waterpower Applicant Declaration Form** for the projects be provided as soon as possible, along with any further site information. We ask the District to outline in a timely manner, current issues that need to be addressed during the **Class Environmental Assessment for Waterpower Projects** prior to issuance of Location Approval.

We request to defer any further processes or meetings until the site is deemed viable, approved and this form is signed in a timely manner. Please note that Xeneca is prepared to meet with the District by teleconference to discuss any issues. However, we suggest this step be taken once MNR has completed its First Nation consultation and is prepared to allow Xeneca to proceed with Business-to-Business discussions with the First Nation Communities once initial inter-agency meetings have occurred.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick Gillette", is written over a light blue horizontal line.

Patrick Gillette
President and COO
Xeneca Power Development LP

July 6, 2010

Paul Moreau
District Manager
Pembroke MNR
31 Riverside Drive
Pembroke, ON K8A 8R6

Dear Mr. Moreau:

RE: Options to process sites awarded FIT Contracts

As outlined in previous correspondence, Xeneca Power Development Inc. has been awarded a Feed In Tariff ("FIT") Contract within your District:

- Big Eddy – MNR site # 2KB21

Xeneca is also preparing Phase I of the *Class Environmental Assessment for Waterpower Projects* ("Class EA") and will need to commence with Phase II as early as possible in order to meet the Ontario Power Authority's ("OPA") deadline for project commissioning. These steps are being taken to alleviate time pressures on both Xeneca and the regulatory agencies.

At this juncture, Xeneca has 57 months to bring the projects within your District to commercial operation. Given that 24 months is required for construction, this leaves just 33 months to complete all Class EA tasks, issue the Location Approval from the District, and then complete the following:

- Design review and approval
- Tenure (Interim Waterpower Lease Agreement)
- All other permits and approvals

The District will play a crucial role in all of these stages. Xeneca recognizes that the 130 FIT contracts on Crown lands, as well as the remaining 60 in Economic Connection Test (ECT) status, will pose a challenge for MNR and for your District in regard to resources and time.

Xeneca believes the following solutions will help to alleviate some of the challenges for your District created by the FIT program timeline:

- Xeneca participation in programs that sponsor or support students/ interns working at your District Offices.
- Where possible, Xeneca would like to complete tasks that require prolonged review such as design or operation plans.
- Combining Class EA activities with other aligned objectives.

Until the Class EA is completed, the actual design and operation of the waterpower plant is uncertain. This means the economic viability of the project is essentially unknown as mitigation of environmental or other issues could lead to the cancellation of the project and the subsequent request to withdraw the site. Potential effects on riparian landowners, parks or other land in proximity to the project will be clearly identified as well as the viability of the project.

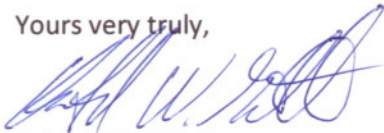
With respect to the MNR's First Nations component of the Site Release process, please be advised that Xeneca is committed to developing Business Relationships with those Communities identified as affected and/or eligible for benefits. This commitment has been made in the attached letter as well as publicly (see attached from the *Globe and Mail's Report on Business*).

However, Xeneca is concerned that the provincial and federal processes are not aligned. Confusion still remains over the designation of the affected First Nations Communities and how program eligibility may be applied. Combining consultation (MNR and Applicant) with Business Relationship discussions is a natural fit, and this will provide the 1 – 2 year window we believe necessary to reach agreement with the First Nation Communities.

In summary, we believe our recommendations will minimize duplication of the process, thereby allowing critical MNR resources to be focused on the important work of assuring all environmental, social and economic issues are addressed.

Thank you for your kind consideration and please call with any questions.

Yours very truly,



Patrick W. Gillette
President & COO

Xeneca Power Development Inc.
5160 Yonge Street
North York, ON M2N 6L9
Tel: 416-590-9362
Fax: 416-590-9955

July 13, 2010

Mr. Paul Moreau
District Manager
Pembroke District MNR
31 Riverside Drive
Pembroke, ON K8A 8R6

Dear Mr. Moreau,

RE: Notice of Commencement for Waterpower Class Environmental Assessment

As outlined in previous correspondence, Xeneca Power Development Inc. has been awarded Feed In Tariff ("FIT") Contracts for the following projects within your District:

Big Eddy - MNR site # 2KB21

Xeneca has completed Phase I of the *Class Environmental Assessment for Waterpower Projects* ("Class EA") and will now issue public Notices of Commencement (NoC) under the Waterpower Class EA for the above projects in your area. A draft copy of the NoC was sent to your office on June 10 (a final version of the NoC is attached to this letter). These steps are being taken in order to comply with timeline performance constraints demanded by the Ontario Power Authority ("OPA") for execution of FIT contracts. Further, to this end, we would like to engage with you in a process of sharing information, for your consideration and input, on the development of the project as it becomes available during the Class EA. We will prepare project progress updates and information packages for you on a regular basis. In addition, we will need to have regular face-to-face or teleconference progress meetings.

At this juncture, Xeneca has less than 57 months to successfully complete the EA and post-EA approval process, plan and potentially execute construction activities and arrange ordering and potential installation of equipment for each project in your District. Given that 24 months is required for construction and commissioning, this leaves just 33 months to complete all Class EA tasks, issue the Location Approval from the District, and then also complete the following:

- Design review and approval
- Tenure (Interim Waterpower Lease Agreement)
- All other post-EA permits and approvals

The District will play a crucial role in all of these stages. Xeneca recognizes that the 130 FIT contracts on Crown lands, as well as the remaining 60 in Economic Connection Test (ECT) status, will pose a challenge for MNR and for your District in terms of resources and time. We understand the pressure you are working under and we suggest that regular information sharing and meetings will be beneficial during the next several years of hard work for all of us on implementing these FIT contracts.

As the Class EA process unfolds, the expected design and operation of the waterpower plant will be more clearly understood as will the economic viability of the project. We feel that environmental concerns and technical issues that have been, or will be, raised by your staff are best addressed during the Class EA, as information becomes available and as we gain perspectives on our projects from other regulatory agencies, First Nations, and all stakeholders.

Further, if you have not already done so, we kindly request that you expedite issuance of the names of the First Nation Communities eligible to discuss benefits in relation to these projects in your District. First Nation benefit discussions are an important element of the development process and a milestone that needs immediate attention for it to be completed prior to Location Approval. Xeneca is committed to developing Business Relationships with the Communities you identify as affected and/or eligible for benefits.

Thank you for your kind consideration and please contact us if you have any questions.

Yours truly,



Patrick W. Gillette
President & COO

Xeneca Power Development Inc.
5160 Yonge Street
North York, ON
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cc. Mark Holmes, Edmond Laratta, Arnold Chan

Ministry of
Natural Resources
31 Riverside Drive
Pembroke, ON
K8A 8R6

Ministère des
Richesses naturelles

Telephone: (613) 732-3661
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Ontario

Copies to Ed/Dyn
✓
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Mark Holmes
Vice President, Corporate Affairs
Xeneca Power Development Inc./
Petawawa Green Energy Development
5160 Yonge St., Suite 520
Toronto, ON M2N 6L9

RECEIVED
AUG 06 2010

August 3, 2010

Re: Waterpower Site Strategy Review (WSR-2008-02) – Petawawa Green Energy Development Big Eddy Site (#2KB21)

Dear Mr. Holmes:

Please be advised that the Ministry of Natural Resources (MNR) has completed our review of the Waterpower Site Strategy (WSS) for the Big Eddy site, submitted September 10, 2009. As a result of amendments to the Waterpower Site Release policy, the submission of a WSS is no longer a necessary requirement. However, as Xeneca has indicated that the WSS will be used to form the basis for the OWA Class Environmental Assessment (EA) for the project, the MNR would like to provide comments as outlined below.

Although Xeneca has been awarded Applicant of Record status for the Big Eddy site, the MNR has identified a number of issues during the review of the WSS for the project. In order to fulfill future federal and provincial environmental assessment requirements to allow for authorization and approvals to be granted, the MNR recommends that the following concerns be addressed during the course of the EA:

1. Fisheries

Information provided about fish species and habitat in the proposed project area, as well as the potential impacts the development could have on these populations and habitats are not adequately addressed in the WSS document. MNR discussed these concerns at a meeting with representatives

of ORMG and OEL HydroSys on April 23, 2010. Existing fisheries information was discussed, as were plans to complete future field studies.

In order to meet future federal and provincial environmental assessment authorization and approvals requirements, Xeneca must ensure that detailed fish community and habitat survey information is available. This would include adequate site specific fishery information as needed to support a full assessment of the impacts on fish species (including Species at Risk fish), aquatic habitats, and angling upstream of the proposed development, as well as direct physical impacts of the powerhouse/dam structures and flow changes on critical fish habitats (i.e. fish migration routes, spawning, and nursery sites). It is also recommended that Xeneca be prepared to discuss in greater detail how fisheries concerns will be addressed in the design of the facility with increased emphasis being placed on the maintenance of fish passage, using a flow management regime that emulates natural ecological flow conditions as much as possible, the prevention of fish entrainment/entrapment, and the use of fish-friendly turbine designs.

2. Species at Risk (SAR)

The Petawawa River and surrounding area is known habitat for a number of endangered and threatened aquatic and terrestrial SAR. During the EA process, it is recommended that field studies evaluating the presence of SAR in the proposed project area, as well as potential direct and indirect impacts the development may have on species and their habitats, be performed. SAR permits may also be required before any development were to occur in the proposed project area.

The Species at Risk in Ontario (SARO) list is updated on a continuous basis. For example, the Lake Sturgeon was added to the SARO list in the fall of 2009. Xeneca is responsible for being aware of changes to the SARO list, as well as legislated authorization and approvals responsibilities and requirements under the *Endangered Species Act, 2007*.

3. Water Levels

When completing the EA for the project, it is recommended that Xeneca provide clarification regarding data used for water level modeling in the WSS document.

When determining the inundation area upstream of the project (Section 3.2 and Plate 6), a water level of 138 m was utilized. As it is unclear what this value represents and how it was determined, it is recommended that Xeneca provide details on the hydrological modeling methodology and assumptions

used by Hatch to determine the inundation area. MNR is concerned that the total extent of the flooded area may have been underestimated, and this information would be needed to accurately determine the properties which may be impacted by the proposed development. The accurate delineation of the inundation area is also required in order to determine potential SAR habitat that may be affected by changes in the flow regime.

It is also recommended that Xeneca clarify the current “existing level” of the proposed site used in their modelling, as well as the operational headpond levels of the proposed project. In Section 3.1.2 of the WSS document, Xeneca states that the operational headpond level of the proposed project will be 136.0 m, which is approximately 1.0 m higher than the “existing level” at the site. However, Plate 2 shows an “existing level” of $134.40 \pm$ m, with the proposed operational level of 136.0 m, a difference of 1.6 m. Plate 2 also shows the invert of the channel at an elevation of $133.7 \pm$ m, which would result in water levels 2.3 meters higher than “existing levels”, if an operational headpond level of 136.0 m was used. It is recommended that Xeneca define what value was used for the “existing level” (ie: spring high, summer low, 2 year flood level), use this value consistently for all modeling, and clarify how this value compares to the mean levels and spring levels discussed throughout the WSS document. Xeneca should also address the discrepancies in the changes in water levels found throughout the document, as discussed above, in order to accurately determine the area which may be affected by changes in flow regime.

4. Landowner Agreements and Public Consultation

The proposed water power development project has the potential to cause flooding on lands adjacent to the site, as well as to produce changes to shoreline vegetation, increase erosion, and introduce navigation hazards in the proposed project area. Adjacent private landowners must therefore be informed of potential impacts to their properties. It is the sole responsibility of Xeneca to obtain the necessary landowner permissions related to flooding and other potential detrimental impacts to private property.

5. Other

There is a discrepancy in the project cost estimates provided in the WSS document. In Section 6.2.1, the estimated project cost is between \$4 million and \$8 million, whereas the RETSCREEN estimates given in Appendix C estimate the project cost at between \$9.7 million and \$16.5 million. Further clarification of these values should be provided as the proposed project progresses.

It is recommended that Xeneca maintain regular contact with MNR and provide written and verbal updates in order to facilitate the EA process. Your contact at the Pembroke District MNR Office is Joanna Samson, Water Resources Coordinator, who can be reached at (613) 732-5593. Any questions about the content of this letter can also be directed to her. MNR looks forward to continuing to work closely with Xeneca Power Development Inc. and the opportunity this project presents to advance the province's renewable energy interests.

Sincerely,

A handwritten signature in black ink that reads "Paul Moreau". The signature is written in a cursive style with a large, looped initial "P" and "M".

Paul Moreau
District Manager
MNR Pembroke District

- c. Joanna Samson, Water Resources Coordinator, MNR Pembroke District
- c. Lauren Trute, Species at Risk Biologist, MNR Pembroke District
- c. Tanya Baker, Area Biologist, MNR Pembroke District
- c. Amy Cameron, Planning Ecologist, MNR Pembroke District
- c. Tom Giesler, Senior Lands and Waters Technician, MNR Pembroke District
- c. Nick Paroschy, Senior Project Engineer, MNR Southern Region



June 20, 2011

Ms. Carrie Hayward
Southern Region Director
Regional Operations Division
Ministry of Natural Resources
P.O. Box 7000,
300 Water Street
Peterborough, ON K9J 8M5

Re: June 13 letter regarding use of Ontario Logos

Thank you for your June 13 letter re: unauthorized use of the Ontario Logo by Xeneca Power Development inc. ("Xeneca") and for returning my June 15 telephone call to discuss the aforementioned issue.

Please be advised that, subsequent to May 19, the government of Ontario logo has been removed from the data collection cameras installed by Xeneca Power on the shoreline of the Petawawa River.

Your June 13 letter raises a number of issues which need to be responded to given the high level of public interest around the Petawawa projects.

Firstly, the statement attributed to me that Xeneca would continue to use the Ontario logo is incorrect. As discussed on May 30 with Rick Watcheran, District Manager, Pembroke MNR, Xeneca agreed that the use of a government logo on Xeneca equipment is not authorized or appropriate. At the time of my conversation with Mr. Watcheran, Xeneca had not yet confirmed that a consultant working for the company had placed a small Ontario logo on the camera equipment, but, it was clearly stated that, should camera markings be inappropriate, such markings would be removed immediately.

It is noteworthy that comments made to Mr. Watcheran on May 30 were consistent with public statements made to members of the media. Furthermore, MNR was well aware of the cameras on the Petawawa River as I spoke directly to Conservation Officer Joe McCambridge on May 24 and confirmed for him that they were Xeneca's property.

Secondly, your June 13 order to cease and desist from using the Ontario logo implies that Xeneca has not already taken steps to remove all such logos from any of its equipment. On May 31, 2011, it was clearly communicated to Pembroke MNR staff who attended the Public Open House meeting that the Ontario logos had been removed from the cameras which had been reinstalled on the Petawawa River.

By way of background, the cameras on the Petawawa River (and other river systems on which Xeneca has projects) have been in place for several months. The cameras were labeled with the MNR site release numbers corresponding with each respective study area. In the case of the cameras installed on the Petawawa, the primary objective was to collect data on recreational use and frequency of use. Additional data on water levels and wildlife movement were also being recorded.

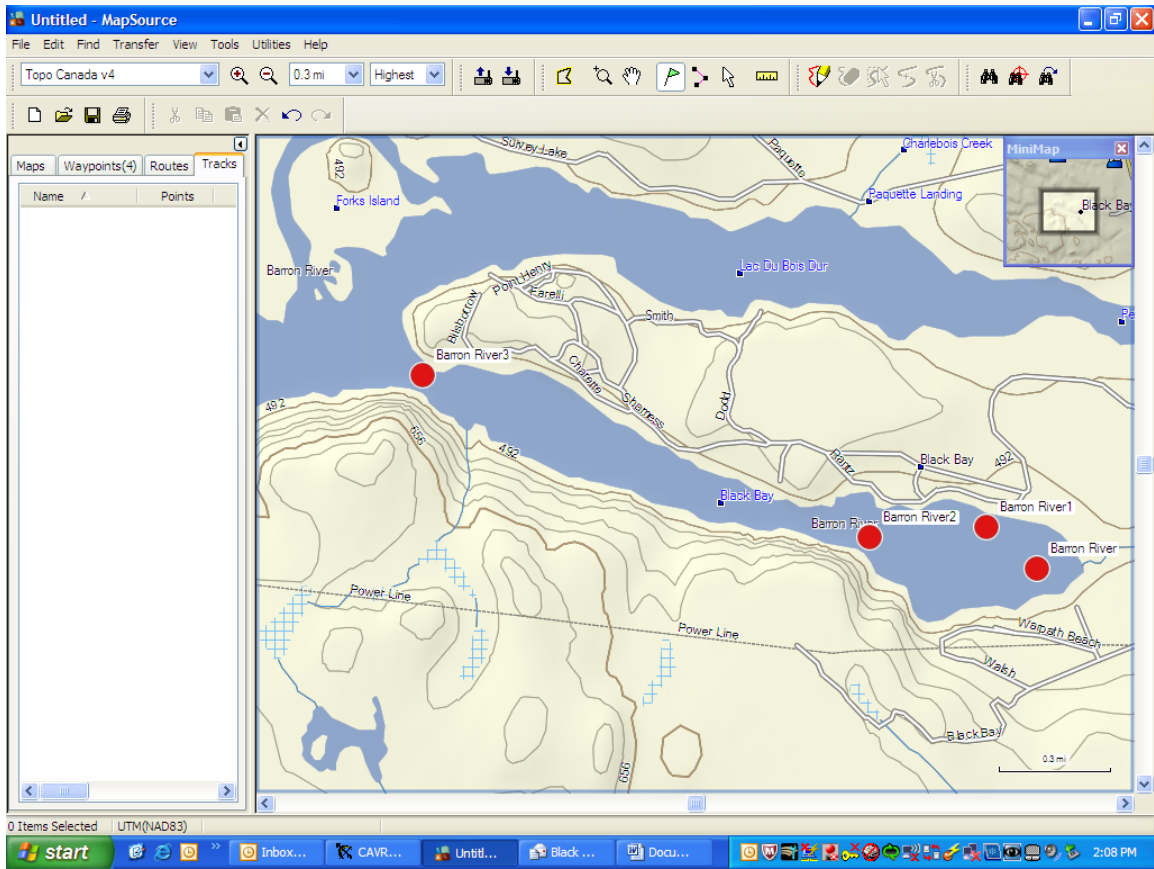
The cameras were installed by a consultant who placed the Ontario logo on the camera equipment in the well meaning but mistaken belief that it might prevent tampering or vandalism. Xeneca was unaware of the logo appearing on the equipment and, as previously noted in this letter, all such logos have been removed from Xeneca's monitoring equipment.

Again, we hope this issue has now been put to rest and that the record has been corrected as it relates to any inaccurate comments that may be attributed to me.

Best regards,

Mark Holmes
Vice President
Corporate Affairs
Xeneca Power Development

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Date: March 18, 2013

Joanna Samson
MNR – Pembroke District
31 Riverside Dr
Pembroke ON
K8A 8R6

Re: Big Eddy Project - Downstream Zone of Influence

Dear Joanna,

Big Eddy Project in Petawawa River is a small hydropower project with an installed capacity of 5.3 MW. This project has been proposed to operate as a run-of-river (ROR) facility, which means total inflow into the headpond of the project is equal to the total flow downstream of the project tailrace area in any given time. The project consists of small weir structure with a fish passage structure, intake channel and powerhouse. The project layout creates a 600 meter bypass reach, which will see less than normal flows when the project goes in operation. Flows in the remainder of the river, upstream and downstream, remain unaffected.

As per the inputs from MNR and other agencies, the following three factors should be considered to evaluate the downstream zone of influence (DZOI) of the project.

1. Hydrological Alternation

In a run-of-river facility total inflow into the headpond will always be equal to the flow where the bypass reach and tailrace rejoin. In hydrological terms, the DZOI ends at the exit of the powerhouse tailrace.

2. Thermal Alternation

Big Eddy project has a very small headpond area. Figure 1 below shows the stage-area-volume information of the project. Table 1 shows the residence time for summer months which indicates the residence time of the headpond is less than 5 hours even in average summer months. In the context of river water temperatures, which require multiple days or weeks of warm climatic conditions to change



appreciably, a few hours of added residence time is not sufficient to result in a significant alteration of water temperature.

Figure 2 shows the pre- and post project water surface profiles for the headpond and the increase in water depth. As the figure shows, the change in depth under the long term average flow (LTAF) condition is less than 1.5 meter. A change in water depth of about 1.5 meters is not sufficient to cause thermal stratification and alteration of the thermal regime of the river.

Figure 1: Stage-Area-Volume information of Big Eddy Project

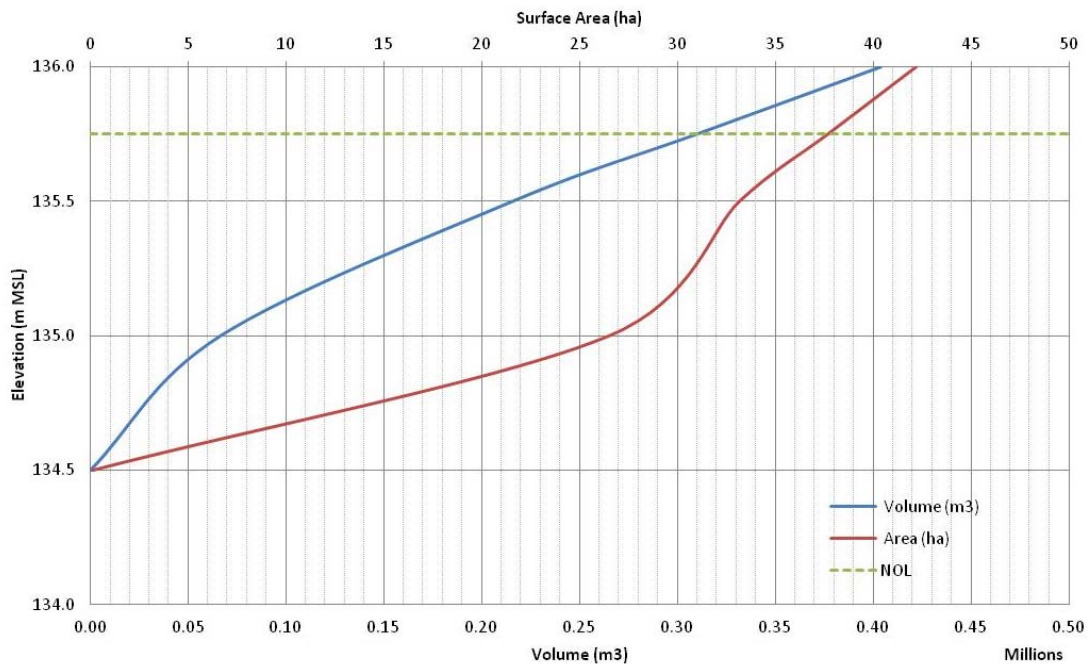
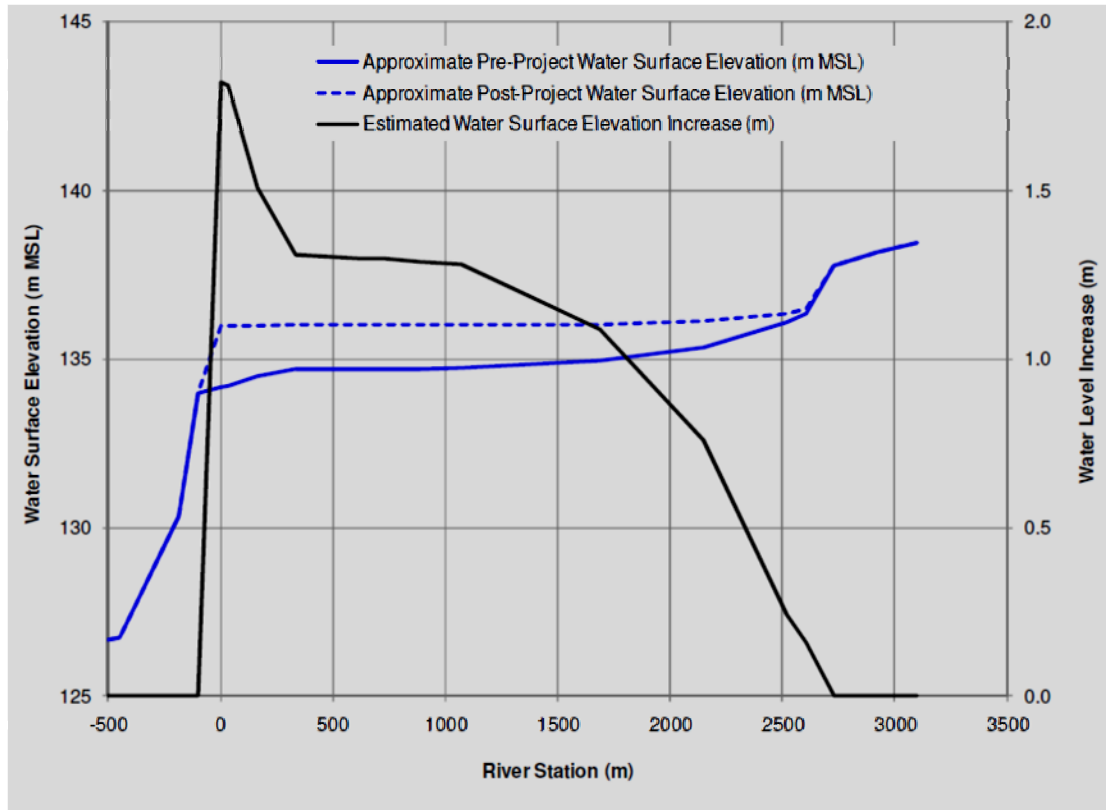


Table 1: Headpond residence time of Big Project in summer months

Month	Headpond Volume at NOL (m ³)	Flow (m ³ /s)	Headpond Residence Time (hour)
July	309,661	41.0	2.1
August		25.1	3.4
September		18.3	4.7
Min. Tubine + Bypass		14.0	6.1

Figure 2: Pre and Post Project headpond water surface profile and change in water level



3. Fluvial Geomorphology

As discussed above, this project consists of a small weir structure which creates a relatively small headpond. Sediment transport in the river for both, bedload and suspended sediment mostly occurs during high flows, either in spring freshet or rainfall events in the Fall. HEC RAS model results show during these high flows, there is a very little change in pre and post project flow velocity which is the main parameter that governs sediment transport process in rivers.

This project also has very limited sediment supply in the upstream sections. There is very a little sediment input due to two lake like features, Lac du Bois Dur and Black Bay, located just upstream of the project headpond. The only sediment source is located downstream of Lac du Bois Dur and upstream of the project headpond, which is not significant enough to create sedimentation in the headpond.



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Considering all these above factors it can be concluded that the downstream zone of influence of the Big Eddy project is the tailrace area of the project as previously outlined.

Sincerely,

A handwritten signature in blue ink that reads "Nava Pokharel".

Nava Pokharel, P. Eng.
Senior Project Manager
Xeneca Power Development Inc.



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Date: April 25, 2013

Joanna Samson
MNR – Pembroke District
31 Riverside Dr
Pembroke ON
K8A 8R6

Re: Big Eddy Project - Downstream Zone of Influence Comments Responses

Dear Joanna:

Xeneca provided a document to the agencies with a rationalization of downstream zone of influence of Big Eddy Project in Petawawa River on March 18, 2013. The agency review team provided comments/information requests on the document on April 10, 2013. This document addresses those comments and additional information requests by the agencies.

Agency Comment 1: *Thank you for the information provided on thermal alteration of the proposed headpond. Considering the existing surface area of the embayment upstream of the proposed site and the depth and residence time identified for the headpond, the conclusions presented appear sound.*

Xeneca Response: Thank you.

Agency Comment 2: *Under point 3. Fluvial Geomorphology, the letter states that, "HEC-RAS model results show during these high flows, there is very little change in pre and post project flow velocity which is the main parameter that governs sediment transport in the rivers." Can Xeneca provide the HEC-RAS model results so that we can confirm this assertion? Which cross sections in the model were Xeneca using to support this statement? We are concerned that changes to sediment transport may affect the persistence of the sandbar feature at the confluence of the tailrace and the bypass reach.*

Xeneca Response: This information is available in the steady state HEC RAS model report of the Big Eddy project which was provided to the agencies in early 2012. For your convenience, an extracted table (Table 1) from the HEC RAS model for the existing and proposed conditions velocity in the headpond area is attached with this document. The majority of sediment transport occurs at high, channel forming flow rates. Table 1 shows, for a 2- year flood flow [215 (m³/s)], the average velocity in the headpond area in the existing condition is 1.11 (m/s) versus



in the proposed condition 0.83 (m/s). These results are consistent with the small height of the proposed overflow weir structure, with approximately 1.5 meters in water level change.

Fluvial Geomorphology of the river indicates that sediment transport in the Petawawa River occurs mostly in the form of suspended sediment, not bedload sediment. Hence it is not surprising that the composition of the sandbar near the bottom end of the bypass is mostly made of suspended sediment (i.e. sand and fine gravel). This minor alternation in velocity will not significantly change the sediment transport process of this section of the river reach. The suspended sediment is expected to travel with the water downstream over the weir and through the fish way.

As discussed at the meeting with DFO, MNR and MOE, Xeneca is committing to monitor the size and persistence of the sandbar over time. Xeneca also committed to the mitigation as proposed by DFO at the meeting. Should the monitoring reveals that the sand bar is gradually shrinking over the years (i.e. insufficient sediment is arriving from upstream), appropriate size sediment will be mechanically lifted to the downstream side of the weir to re-supply the sandbar. We trust that these measures as proposed by DFO at the meeting are an effective means to address the concerns about the sandbar.

Agency Comment 3: *Hydraulic impacts were not discussed in this paper. We are interested in knowing the effects on flow dynamics and flow vectors where the bypass flow and tailrace flow converge, including the effects on the sandbar. In the existing condition, the river velocities are fairly uniform across the river cross section moving down the river reach. In the proposed condition a significant component of the flow will be diverted into the powerhouse and then introduced back into the river at the tailrace in a concentrated format. The velocity regime at the cross section immediately downstream of the tailrace will be a combination of concentrated flow from the plant and low flow from the bypass. It will take time (distance) for the velocities to reach equilibrium across the entire cross section. This will occur at some point downstream of the tailrace, extending the DZOI to the point where these flows reach equilibrium. Additionally, we need to understand the interaction of flows (wetting and drying) with the sandbar. Cross sections, bathymetry, and depths at different flows in the pool adjacent to the sandbar would be useful.*

Xeneca Response: Two maps (Figure 1 and Figure 2) with aerial imagery and bathymetry survey information collected in 2010 and 2012 has been included with this email. These maps show the significant amount of the information that has been collected and analysed in this project area. Based on the data and the visual observations at the site, we have a very strong understanding of the geomorphology of the river at this location.

The sandbar is located in a highly complex section of the river at the bottom end of a high velocity rapid section and inside a 90 degree bend. The high velocity flow from the rapids is forced to the outside of the bend, resulting in highly turbulent and uneven flow conditions. Low



velocity flow at the inside of the bend causes a low velocity back eddy to circulate clockwise in the area of the sandbar. The low velocity eddy results in suspended sand and fine gravel to be deposited to form the sandbar.

The position of the sandbar on the inside of a bend provides a high degree of protection from erosion. The sandbar appears active (i.e. free from siltation) but stable, as is evidenced by aerial photos dating back several decades. A significant change in the overall size and sediment volume of the sandbar is not likely. However, the shape of the sandbar may change during very high flow events that result in stronger than average back eddy velocities. The active channel forming flow for the sandbar is spring freshet flow, such as the two year flood flow ($215 \text{ m}^3/\text{s}$). The sandbar is not expected to be active during average or low flows. This was confirmed during field visits at moderate and low flows.

The suspended sediment load in this section of the Petawawa River is low. As a result, the sedimentation process related to the gravel bar is also slow. The year-to-year change in sediment exchange at the sandbar is expected to be low, thereby further contributing to the stable and slow changing nature of the feature. This appears to be supported by the historic aerial photos.

The proposed project will see part of the flow diverted through the powerhouse and discharged immediately downstream of the sandbar. Hence, a significant impact on the sandbar from the interaction of the tailrace flow and bypass flow is not expected. The alignment of the proposed tailrace is designed to exit in the centre of the downstream channel. This will minimize the potential for erosion and scouring due to the tailrace flow. The channel bed at this location has been fully mapped and consists of solid bedrock, further minimizing the chance of erosion and flow alteration. A map (Figure 2) with contour information generated from bathymetry survey in the sandbar area has been attached with this email.

During average and low flows ($<68 \text{ m}^3/\text{s}$), most of the flow will exit the tailrace, with a small flow descending the rapids. The tailrace flow is well below the flood flow required to change the morphology of the sandbar. Further, the discharge velocity of the tailrace is controlled through the detailed engineering design process to not exceed 0.5 to 1.0 m/s. These values are consistent with the natural velocities of 0.6 to 0.8 m/s under existing conditions (see HEC-RAS model results). Given the downstream discharge direction and velocity of the tailrace, no impact on the sandbar is expected at under moderate and low flow conditions.

Under flood flow conditions (e.g. $215 \text{ m}^3/\text{s}$), approximately one-third of the flow ($64 \text{ m}^3/\text{s}$) is directed to the tailrace. Under these conditions, the bypass flow (e.g. $151 \text{ m}^3/\text{s}$) meets the tailrace flow (e.g. $64 \text{ m}^3/\text{s}$) immediately downstream of the sandbar. The bypass flow is larger and faster (1.3 m/s) than the tailrace flow (0.5 -1.0 m/s). Further, the tailrace flow is already directed into the downstream direction, while the bypass flow is forced into the 90 degree bend as under existing conditions. The result is a flow pattern that is very similar to existing conditions. The back eddy on the inside of the bend that flows around the sandbar will continue



to exist under these flow conditions. Hence, there is not likely to be a significant impact on the sandbar due under flood flow conditions.

It should be noted that we have completed exhaustive studies and there is a large amount of information to inform the discussion on this matter (hydrology, LiDAR, bathymetry, hydraulic modeling, field investigations, habitat assessment etc.). We recognize that this is a special feature as it might be used as fish nursery habitat, but there are a number of similar sandbars between this location and the Ottawa River (see figure 3 and 4 attached with this document). As such, this feature may be special, but is it not unique or critical habitat. There appears to be a significant amount of habitat in this area with similar potential for fish nursery. There is also no indication that there would be a significant change in the back eddy flow pattern that maintains the sandbar feature. In summary, it would appear that the evidence is strong that this sandbar will not be affected. Reasonable monitoring and mitigation have been proposed. However, even if mitigation efforts were to prove to be of limited success, there is a significant amount of similar habitat in the area. As such, there is no basis for assuming that a significant environmental effect could occur and this matter appears to have been addressed.

Agency Comment 4: *An assessment of the ramping rates has not been provided. There is high potential for a lag in flows to occur downstream of where the tailrace and bypass reach converge, as flows are diverted between the bypass reach and the conveyance channel. If flows are reduced too quickly in the bypass reach, fish could be stranded. Please refer to the attached Study of flow ramping rates for run-of-river hydropower development from DFO in BC that speaks to these effects.*

Xeneca Response: In general, the issue of ramping rates from a hydroelectric facility is a factor to consider only if the generating station is proposed to operate as a peaking facility. Big Eddy is proposed as a run-of-river facility. In a run-of-river facility, the frequency of the generating station completely turning on and off will be very low; unlike in a peaking facility where this can happen on a daily basis. In a run-of-river facility, the total flow in the tailrace area will always be the same whether the generating station is operating or not. In the bypass reach, flow only changes rapidly when the facility is turned off due to seasonal low water conditions (and remains of until seasonal conditions change) or to provide flow for recreational uses (kayaking and rafting). This condition only arises a few times per year. For seasonal changes, Xeneca proposes a 30 minute ramp down (generation station closing) and 30 minutes ramp up (generating station opening) for the Big Eddy project.

It should be noted that very few fish have been observed in the bypass reach during any of the numerous visits and field studies. The fast, steep and rocky nature of the bypass may be significant reason for the absence of fish in this section of the river. Where fish were observed, it was primarily in the area of the tailrace and sandbar. As the hydraulic studies show, this area will not be dewatered, even at times when the facility is shut down or started up. Hence, the propensity for fish stranding is low for two reasons – few fish and few expected ramping events.



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Sincerely,

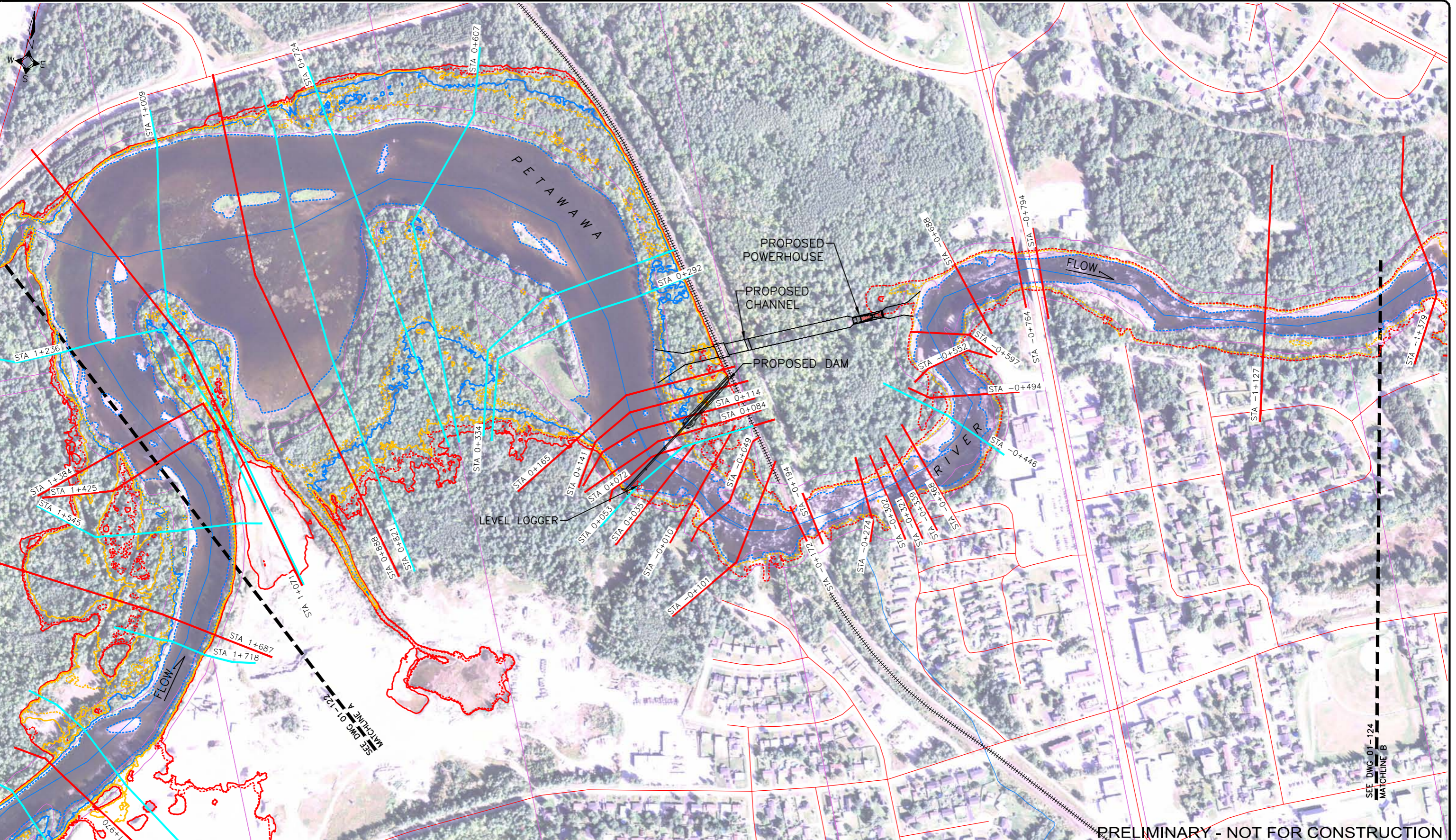
A handwritten signature in blue ink that reads "Nava Pokh" with a horizontal line underneath.

Nava Pokharel, P.Eng.
Senior Project Manager
Xeneca Power Development

**Table 1 : Big Eddy Project Existing and Proposed Conditions Velocity Comparison
for 2 - Year Flood Flow (215 cms)**

River Station	2-Year Flood Flow	Existing Condition	Proposed Condition	Difference
	(m³/s)	Avg Velocity	Avg Velocity	
		(m/s)	(m/s)	(m/s)
3098	215	2.15	2.15	0.00
2807	215	2.13	2.13	0.00
2713	215	2.73	2.64	0.09
2674	215	1.57	1.49	0.08
2607	215	0.92	0.87	0.05
2585	215	0.59	0.56	0.03
2519	215	2.00	1.69	0.31
2495	215	1.40	1.24	0.16
2379	215	1.34	1.17	0.17
2306	215	1.90	1.52	0.38
2214	215	1.68	1.30	0.38
2149	215	1.82	1.33	0.49
2039	215	1.38	1.04	0.34
1970	215	1.62	1.15	0.47
1907	215	1.25	0.74	0.51
1718	215	1.70	1.08	0.62
1687	215	1.37	0.64	0.73
1545	215	1.43	0.75	0.68
1425	215	1.28	0.61	0.67
1384	215	0.93	0.50	0.43
1236	215	0.80	0.41	0.39
1071	215	0.38	0.19	0.19
1009	215	0.33	0.17	0.16
888	215	0.25	0.14	0.11
821	215	0.21	0.13	0.08
724	215	0.54	0.22	0.32
607	215	0.42	0.20	0.22
334	215	0.44	0.22	0.22
292	215	0.45	0.25	0.20
165	215	0.57	0.35	0.22
141	215	0.52	0.33	0.19
114	215	0.56	0.37	0.19
84	215	0.56	0.38	0.18
72	215	0.58	0.37	0.21
Average		1.11	0.83	0.28

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- NOTES**
1. ALL DIMENSIONS, ELEVATIONS AND STATIONS ARE IN METRES, UNLESS NOTED OTHERWISE.
 2. 2.5 m INTERVAL CONTOURS FROM LIDAR FLOWN JUNE, 2009.
 3. BASE MAPPING FROM ONTARIO MINISTRY OF NATURAL RESOURCES OBTAINED DECEMBER, 2010.
 4. WATER LEVELS DOWNSTREAM OF THE PROPOSED STRUCTURE WILL BE UNCHANGED.

LEGEND

- ROAD
- ++++ RAILWAY
- UTILITY LINE
- SECTION WITH ASSUMED BATHYMETRY
- SECTION WITH SURVEYED BATHYMETRY
- LOT LINES

INUNDATION EXTENTS AT:

- LTAf (EXISTING)
- LTAf (PROPOSED)
- 1:2 YEAR FLOW (EXISTING)
- 1:2 YEAR FLOW (PROPOSED)
- 1:100 YEAR FLOW (EXISTING)
- 1:100 YEAR FLOW (PROPOSED)

SCALE 1:5 000

0 50 100 150 200 250 METRES

REV	Y	M	D	REVISION DESCRIPTION	DES	CHK	DRN	CHK
E	12	03	02	UPDATED INUNDATION EXTENTS	ADF	RJS	ADF	CPB



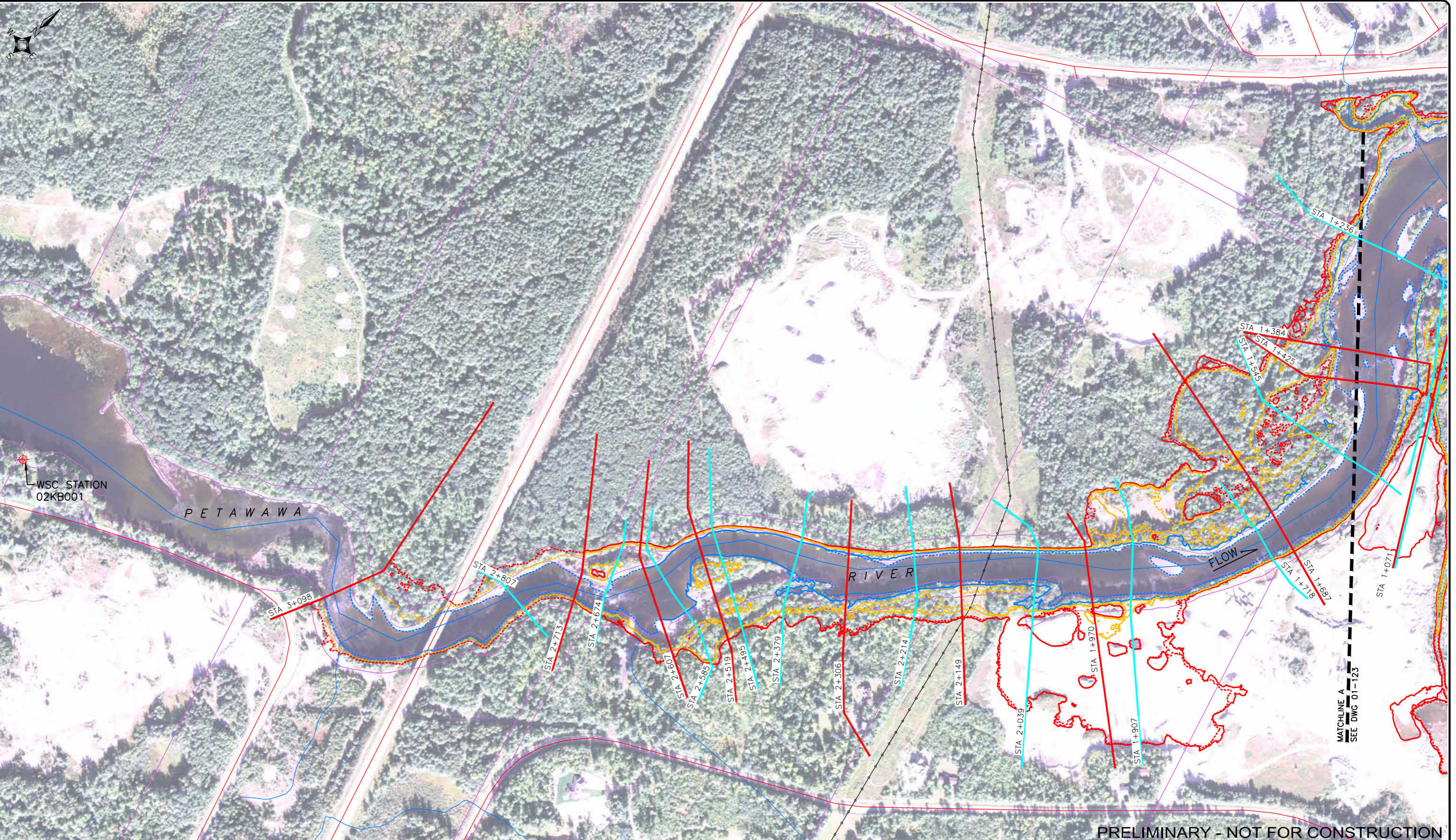
PRELIMINARY - NOT FOR CONSTRUCTION

XENECA POWER DEVELOPMENT INC.

BIG EDDY HYDRO PROJECT
PROJECT - GENERAL
HEADPOND INUNDATION MAPPING
OPTION 1 - STATION 1+970 TO -1+379

PROJECT NUMBER	1052-001
CADD NUMBER	4.3.030
DRAWING NUMBER	01-123

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NOTES

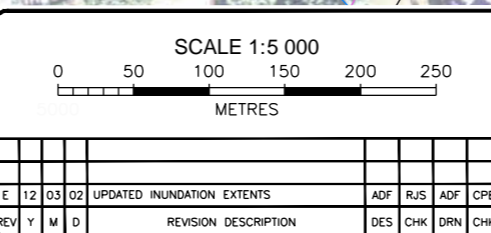
1. ALL DIMENSIONS, ELEVATIONS AND STATIONS ARE IN METRES, UNLESS NOTED OTHERWISE.
2. 2.5 m INTERVAL CONTOURS FROM LIDAR FLOWN JUNE, 2009.
3. BASE MAPPING FROM ONTARIO MINISTRY OF NATURAL RESOURCES OBTAINED DECEMBER, 2010.

LEGEND

- ROAD
- ++++ RAILWAY
- UTILITY LINE
- SECTION WITH ASSUMED BATHYMETRY
- SECTION WITH SURVEYED BATHYMETRY
- LOT LINES

INUNDATION EXTENTS AT:

- LTAf (EXISTING)
- LTAf (PROPOSED)
- 1:2 YEAR FLOW (EXISTING)
- 1:2 YEAR FLOW (PROPOSED)
- 1:100 YEAR FLOW (EXISTING)
- 1:100 YEAR FLOW (PROPOSED)



PRELIMINARY - NOT FOR CONSTRUCTION

XENECA POWER DEVELOPMENT INC.	
BIG EDDY HYDRO PROJECT	PROJECT NUMBER 1052-001
PROJECT - GENERAL	CADD NUMBER 4.3.030
HEADPOND INUNDATION MAPPING	DRAWING NUMBER 01-122
OPTION 1 - STATION 3+098 TO 1+236	

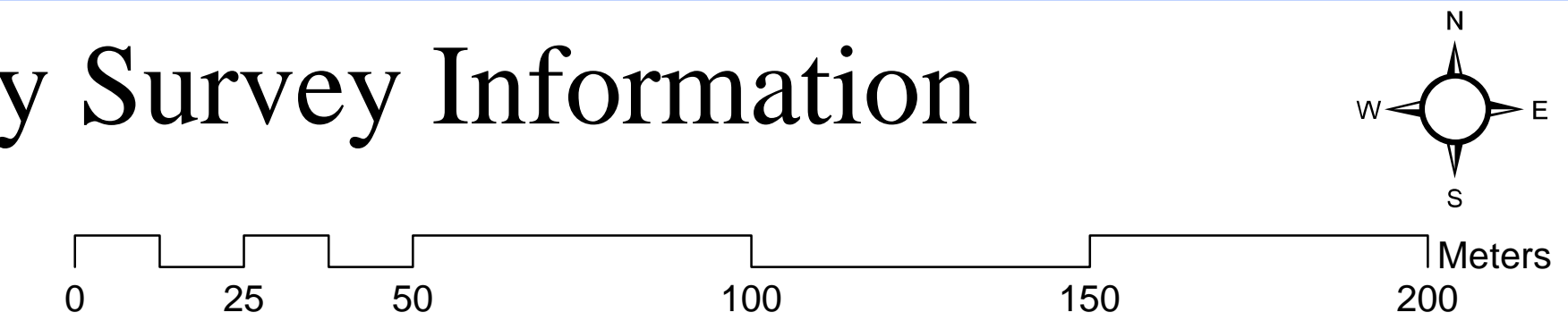
MATCHLINE A
SEE DWG 01-123

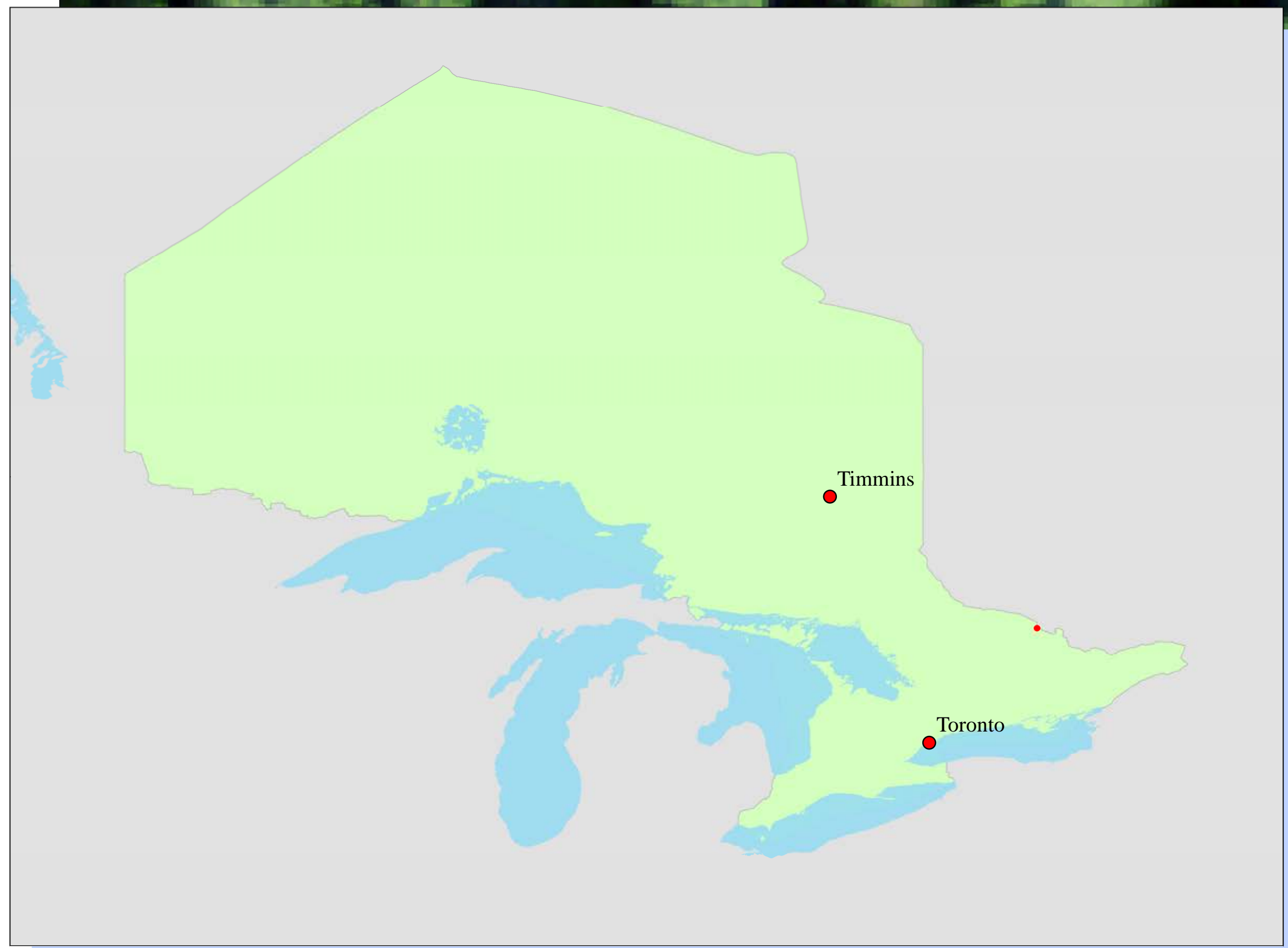


April 18, 2013 UTM 18N. MNR data. Produced by: Nick Collard
 Bathymetry Survey Day Total Flow - 17cms

Figure 1: Big Eddy Project Layout and Bathymetry Survey Information

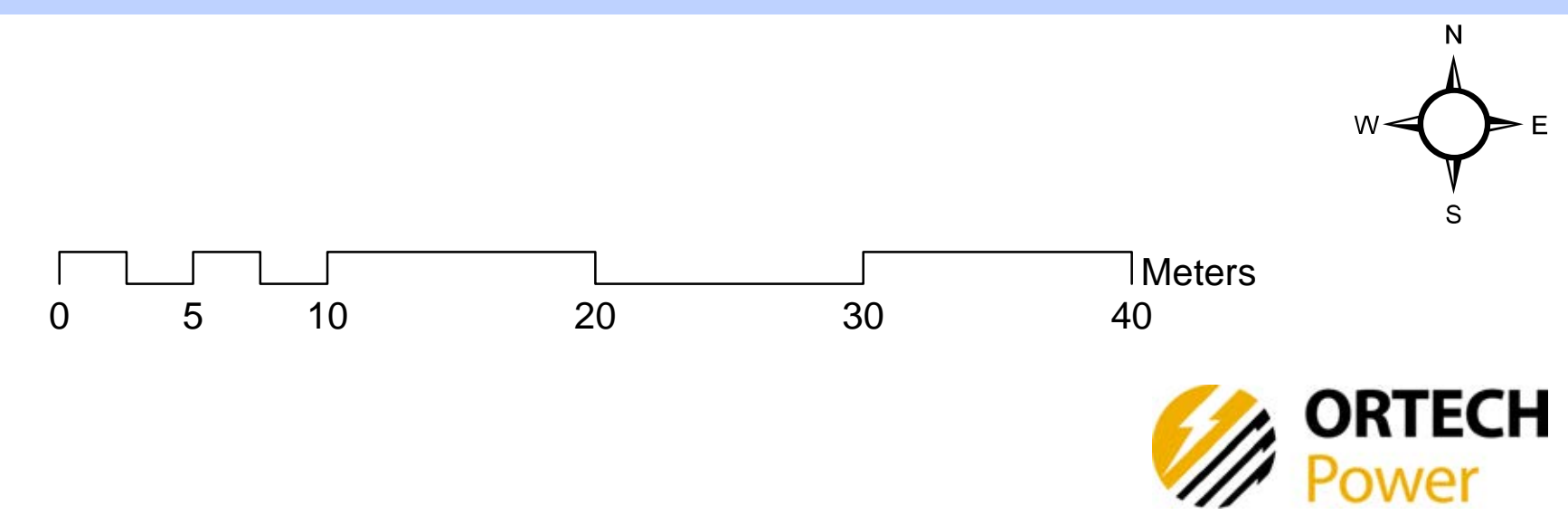
- Water Edge Elevation
- Bathymetry Points - 2012
- Bathymetry Points - 2010
- Proposed Hydro Project





April 18, 2013 UTM 18N. MNR data. Produced by: Nick Collard
 Bathymetry Survey Day Total Flow - 17cms
 — .5 m contour
 — Proposed Hydro Project

Figure 2: Big Eddy Tailrace Area and Sandbar





322600 322800 323000 323200 323400 323600 323800 324000 324200 324400

Petawawa Blvd

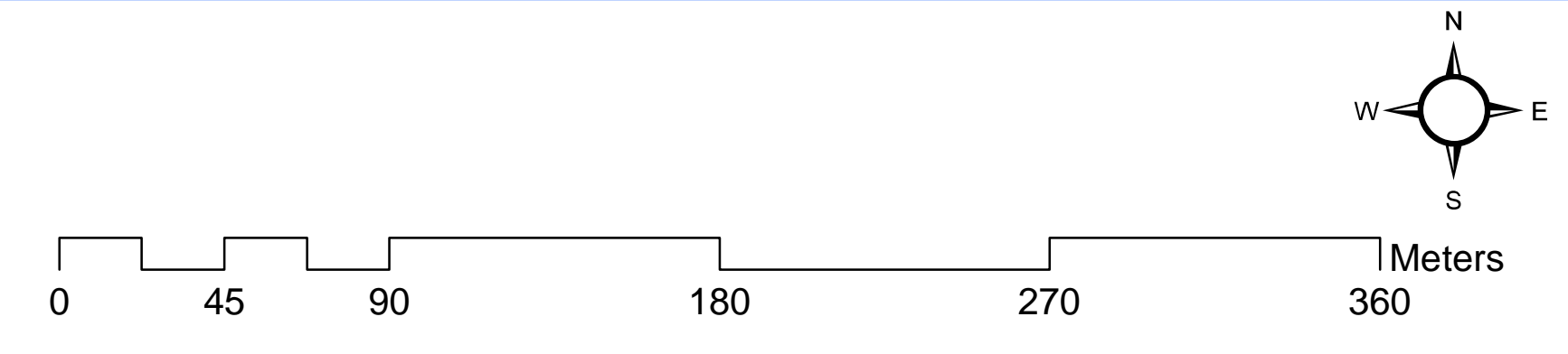
Big Eddy GS

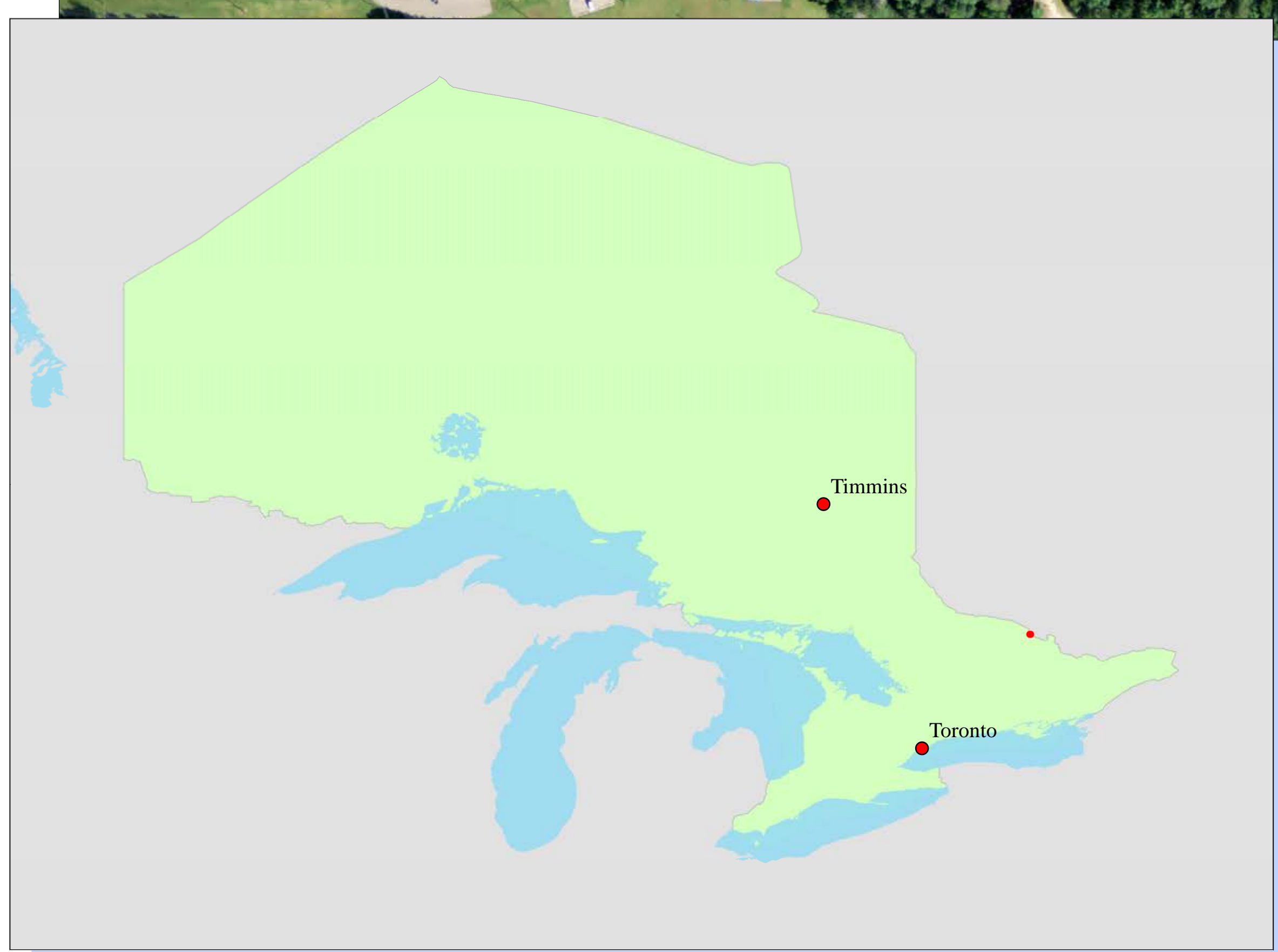


April 25, 2013 UTM 18N. MNR data. Produced by: Nick Collard

- Sandbar / Gravelbar
- Proposed Hydro Project

Figure 3: Sandbar/Gravelbar in Petawawa River

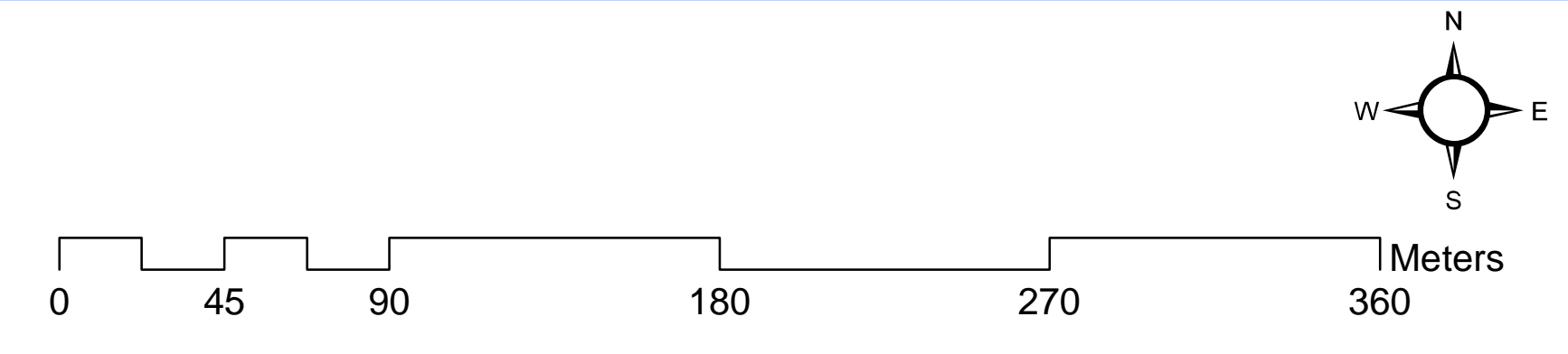




April 25, 2013 UTM 18N. MNR data. Produced by: Nick Collard

Figure 4: Sandbar/Gravelbar in Petawawa River

Sandbar / Gravelbar



June 10, 2010

Ministry of the Environment
Ottawa District
2430 Don Reid Drive
Ottawa, ON K1K 1E1

To whom it may concern,

As you may be aware, Xeneca Power Development Inc. has been awarded 19 Feed in Tariff contracts by the Ontario Power Authority (“OPA”) to purchase water generated renewable power. The following sites are believed to be within your jurisdiction:

Big Eddy – MNR site # 2KB21 on the Petawawa River
Half Mile Rapids (at CFB Petawawa) on the Petawawa River

An attached map provided on CD will help to further identify the site locations for each of the projects. Additionally, included in this package is a draft of the Notice of Commencement under the Class EA for Waterpower Projects which will be issued shortly, as well as descriptions of the projects listed above.

This letter is intended to notify your agency of the pending projects and invite agency comment and/or participation where applicable.

Upon review, you may be aware the OPA schedule will prove challenging to both Xeneca and the affected government agencies, as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we are requesting the following:

- Ministry of the Environment’s (“MOE”) acknowledgement of receipt of this notice.
- Indication if the MOE intends to comment on some, or all of the projects. If the MOE intends to participate, please indicate the appropriate agency personnel who will handle the Xeneca project files.
- A MOE list of any known issues, concerns and/or comments with respect to the projects, as well as any known non-government stakeholders whom may have interest in these projects.



Please note Xeneca is prepared to meet with the MOE by teleconference to discuss any issues, and requests to be advised of any permits the MOE may require from Xeneca and/or its consultants in order to complete the MOE policy and procedures.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick Gillette", is written over a faint, illegible background.

Patrick Gillette
President and COO
Xeneca Power Development LP

Ministry of the Environment

435 James Street South
Suite 331
Thunder Bay ON P7E 6S7
Tel.: 807 475-1690
Fax: 807 475-1754

Ministère de l'Environnement

435, rue James sud
Bureau 331
Thunder Bay ON P7E 6S7
Tél. : 807 475-1690
Télééc. : 807 475-1754



Log: ENV1283MC-2010-2772

July 8, 2010

Samantha Leavitt
Stakeholder Relations Representative
Xeneca Power Developer Inc.
5160 Younge St., Suite 520
Toronto, ON M2N 6L9

Dear Ms. Leavitt:

Thank you for your emails of June 10, 2010, providing the Ministry with electronic information packages detailing Xeneca Power Developer Inc.'s (Xeneca) proposed waterpower developments. I have been asked to respond to your correspondence on behalf of the Honourable John Gerretsen, Minister of the Environment.

The government is committed to expanding Ontario's use of renewable sources of energy such as waterpower. I understand that Xeneca has been awarded 19 Feed in Tariff contracts by the OPA to purchase water generated renewable power, 16 of which are located with the Ministry's Northern Region.

As I understand, the information packages are intended to notify the Ministry of the proposed projects, and invite the Ministry to participate in the Class EA process. Please be assured that the Ministry will be an active participant in the process.

I have forwarded the information provided to each of the Environmental Assessment Coordinators who will be responsible for leading the Ministry's participation in the process. They will be contacting you directly under separate cover to outline the ministry's role and expectation of the process.

I am please to hear that Xeneca is committed to environmentally sound planning, thorough consultation and good corporate social responsibility. My staff are looking forward to working with you in this context and within the framework of the OWA Class EA for Waterpower Projects.

Thank you for informing me about your projects. Should you have additional questions, please contact Paula Allen, Environmental Planner/EA Coordinator at 705-564-3273.

Sincerely,

 for

John Taylor
Director,
Northern Region

September 28, 2010

Vicki Mitchell
Environmental Assessment Coordinator
Ministry of the Environment
1259 Gardiners Road
P.O. Box 22032
Kingston, ON K7M 8S5

Dear Ms. Mitchell:

Re: Xeneca Limited Partnership Proposed Waterpower Projects on the Petawawa River:

- **Big Eddy – MNR Site # 2KB21**
- **Half Mile Rapids**

Thank you for your letter of August 9, 2010 responding to our June 10, 2010 correspondence Xeneca's intent to initiate a Class Environmental Assessment for Waterpower Projects ("EA") for the proposed Big Eddy waterpower project. You have also referenced our Half Mile project which is being developed under a priority permit and the Federal Class Environmental Assessment process as it is located entirely on federal land.

Xeneca is committed to adhering to the principals of open public consultation and engagement throughout the development of the proposed project. We intend to work closely with your Ministry, other affected agencies and group and individual stakeholders during this challenging period of FIT project development and we appreciate your input and advice regarding our proposed Big Eddy project.

Response to your preliminary comments:

The distance between the proposed Big Eddy site and the proposed Half Mile Rapids site is approximately 4km.

Our Project Descriptions are in the final stages of preparation and will be issued shortly. We will then contact you to arrange a suitable date for the project co-ordination meeting.

We are planning Public Information Centres for both projects on the Petawawa River in mid November, 2010. We will inform you of the venue and date as soon as the information is available.

With respect to Consultation, Xeneca has met with Jim Hunton of **Jp2g Consultants** and various agency stakeholders including Pembroke District MNR with respect to the proposed waterpower development on the Petawawa River. Pembroke MNR has informed us (Feb. 23, 2010) that, at this time, it continues to be the preference of the Algonquin First Nation that Xeneca pursue First Nations consultation and business to business discussions through **Jp2g Consultants**. Xeneca fully respects the Algonquin people's preference in this matter and will continue to consult through **Jp2g Consultants** until otherwise directed.

If you wish, I would be pleased to send you a copy of Xeneca's Aboriginal Engagement Policy or you may access it on our website at www.xeneca.com.

Please note that Xeneca has engaged OEL-HydroSys to work with us in preparing the OWA Class EA for Big Eddy and also the Screening Report for the proposed Half Mile Project, both on the Petawawa River. Please contact us or OEL-HydroSys if you have any questions or need further information.

Again, thank you for your letter and your interest and input to our projects.

Yours truly,



Edmond Laratta
Xeneca Power Development Inc.
Manager, Environmental Services and Approvals
5160 Yonge St., Suite 520
North York, ON M2N 6L9

Cc – Tami Sugarman, WESA Inc
Philippa McPhee, WESA Inc.
Joanna Samson, MNR

October 13, 2010

Carrie Hutchison
Regional Planner/ EA Coordinator
Technical Support Section, Northern Region
Ontario Ministry of the Environment
Ste. 331, 435 James Street South,
Thunder Bay, ON P7E 6S7

Dear Ms Hutchinson:

Based on the attached legal opinions, Xeneca LP is proceeding with issuance of Notice of Commencements and announcing Public Information Centers ("PIC"). Our understanding of the Class Environmental Assessment process for Waterpower projects ("Class EA") based on the advice of Counsel, is that these steps meet or exceed the outlined process.

If MOE has any concern, Xeneca LP ("Xeneca") requests that these concerns be put into writing and MOE contact our legal counsel Scott Stoll to define what these concerns are by October 18th, 2010.

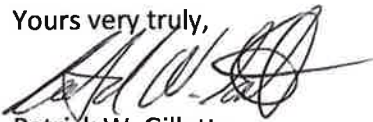
Please contact Mr. Stoll:

Scott Stoll, Partner
Aird & Berlis LLP
Brookfield Place, 181 Bay Street
Suite 1800, Box 754
Toronto, ON M5J 2T9
Phone: 416.865.4703
Email: stoll@airdberlis.com

If no comment is made Xeneca will deem that MOE is satisfied.

Thank you for your time and kind consideration and your support of Xeneca's efforts to meet its FIT Contract obligations to the Ontario Power Authority.

Yours very truly,



Patrick W. Gillette
President & COO

AIRD & BERLIS LLP

Barristers and Solicitors

Scott A. Stoll
Direct: 416.865.4703
E-mail: sstoll@airdberlis.com

September 29, 2010

Carrie Hutchison
Regional Planner/ EA Coordinator
Technical Support Section, Northern Region
Ontario Ministry of the Environment
Ste. 331, 435 James Street South,
Thunder Bay, ON P7E 6S7

Dear Carrie:

Re: Managed and Unmanaged Waterway Designation

We are counsel to Xeneca Power Development Inc.

We are having difficulty understanding the basis for the comments regarding the classification of a waterway as either managed or unmanaged. The letter included the following statement:

If any portion of the anticipated influence area of the proposed project is situated on an unmanaged waterway (which would include sections of a waterway without an established human-made water management regime regardless of the presence of human-made structures) then Xeneca should proceed with this project as directed in the Waterpower Class EA for a new project on an unmanaged waterway. If this is the case then a new Notice of Commencement clarifying the classification for this project will need to be issued.

First the statement does not appear consistent with the provisions and definitions included in the OWA's Class EA. We have asked the OWA and the environmental consultants that had input into the development of the Class EA if they understand the comment above and we have been unable to obtain any explanation. If there is a source document that you are relying upon for this interpretation, please provide it for our review.

Second, your approach seems to indicate that even where a proposed project would overlap an existing water management plan, if any area of influence (note, your statement was not even restricted to Zone of Influence) is outside the WMP then it would be considered unmanaged. This would imply that either: (i) the project is unmanaged and the proposed project will develop an independent WMP; or (ii) the project would be managed for WMP

September 29, 2010
Page 2

purposes but unmanaged for other purposes. Neither of these options is consistent with how the Class EA is intended to be implemented.

Finally, as I am sure you are aware, the environmental assessment process is a proponent driven process and so the decision should be made by the proponent.

I look forward to your response. Please call me if you have any questions.

Yours truly,

AIRD & BERLIS LLP



Scott Stoll

SS/hm

cc: P. Gillette
M. Holmes
E. Laratta

AIRD & BERLIS LLP

Barristers and Solicitors

Scott A. Stoll
Direct: 416.865.4703
E-mail: sstoll@airdberlis.com

October 8, 2010

VIA EMAIL & MAIL

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

Attention: Mr. Patrick W. Gillette, President

Dear Mr. Gillette:

Re: Ontario Waterpower Class Environmental Assessment ("Class EA")
Ministry of the Environment of the Environment Role and Interpretation

Xeneca Power Development Inc. ("**Xeneca**") has asked Aird & Berlis LLP to provide its views and opinions on certain matters relating to the Class EA as a result of contradictory approaches taken by various Ministry of the Environment ("**MOE**") offices and the comments made by certain MOE staff.

The issues involve:

- a. The information provided in, and the timing of, the Notice of Commencement ("**NoC**");
- b. The Role of the MOE and the Minister of the Environment ("**Minister**"); and,
- c. Designating the waterway as "managed" or "unmanaged".

(a) Notice of Commencement

The Class EA, at page 33, provides certain minimum requirements for a NoC. I have reviewed the draft NoCs sent to the various agencies and have determined that Xeneca has included all of the required information listed on page 33. For your information, I attached to this letter one NoC and have provided comments where each listed criteria from the Class EA has been addressed. I would note for this particular project one of the criteria is not applicable as there is no existing dam at the project.

I have reviewed the comments received and disagree that the information in the NoC is deficient and am of the view the NoC is compliant with the requirements of the Class EA.

A second issue that has arisen is the timing of the NoC. Comments have been made by MOE staff that the notice of a public information centre (“PIC”) should not occur until after a meeting with the relevant agencies. I understand that this may be desirable, but such linearity in the conduct of the Class EA is not required. The Class EA provides that the process will have an iterative aspect but and that the overall approach will proceed from the general to the specific.

Xeneca is required to meet with the agencies and provide the opportunity for the relevant agencies to have input into the Class EA. I understand Xeneca is making arrangements for such meetings. Further, Xeneca should be aware that if the meeting with the regulatory agencies provides significant new information that can’t be provided to the public during the PIC, it may need to hold a follow up PIC in order to provide such new information to the public. However, given that Xeneca has been developing projects for a number of years and the Ministry of Natural Resources has been engaged for three or four years as part of its Site Release Policy, it is unlikely such additional special meetings would be required. The agencies can provide information on who is likely to have an interest based upon the prior experience but ultimately, it is Xeneca’s responsibility to ensure the Class EA is properly completed.

I would note the increased demands and workload being placed upon the various agencies from the numerous Feed-In Tariff energy projects - and other infrastructure projects – will make scheduling meetings more difficult and response times will lengthen. By way of example, the first response to the draft NoC from the MOE took two months. Given the time requirements for maintaining compliance with the Ontario Power Authority’s (“OPA”) FIT Contract, Xeneca will have to continue to forge ahead with the projects or be put at significant risk of penalties from the OPA. Therefore, provided Xeneca is ensuring the proper agencies, First Nations and the public are properly involved with and informed of the project, Xeneca would be considered to have satisfied the required elements of the Class EA process.

(b) Role of the MOE and the Minister

The role, or more properly roles, of the MOE during a Class EA involve those of a commenting agency that will be providing technical comments on the proposed project and potentially that of a regulatory decision maker. The environmental assessment process is a proponent driven process wherein the proponent is responsible to complete the assessment in accordance with the applicable Class EA – assuming the project does not require an individual environmental assessment.

Waterpower projects typically require a number of permits and approvals, such as a Permit to take Water under the *Ontario Water Resources Act*, to be issued by the MOE in order for the proponent to complete the project. Therefore, the MOE has a role to provide technical advice/information on the needs of the MOE such that the proponent will be able to apply for and obtain the necessary permits and approvals. This may involve



highlighting MOE policies, time requirements to review approvals or other information that may be of use to the proponent in designing and developing the field.

However, it must be remembered, it is the proponent's project and the proponent is responsible for ensuring the process is followed. In many instances this will require the proponent to make judgement decisions and balance the interests of various stakeholders. The MOE should not stray into the proponent's role.

The second potential role is that of a regulatory decision maker. When a proponent has completed the environmental report, the proponent will publish a Notice of Completion. This is followed by a period of time for the review of the environmental report and the opportunity of third parties to make a request for the Minister, or a properly authorized delegate, to issue a Part II order. It is at this time the role of the regulatory decision maker is engaged. The Minister is engaged to determine whether such an order is proper in the circumstances. Where no Part II order is requested the proponent will publish a Statement of Completion and proceed to complete the project. Therefore, prior to the issuance of the end of the public comment period following the Notice of Completion, MOE staff has to be aware that the Minister may have to make a decision in respect of the Class EA. The Minister's decision must comply with all legal requirements, both technical and procedural.

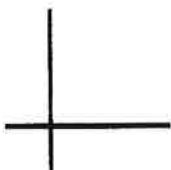
The MOE should be cognizant of this potential duality of roles because it will need to avoid fettering the discretion of the Minister. If the Minister discretion appears to have been fettered, it will give rise to a potential judicial review of such decision. Therefore, Xeneca as proponent, and the MOE should be aware of the MOE's roles. During the initial stages of the Class EA the MOE should restrict its comments to the more technical issues in order to avoid the potential to fetter the Minister's decision making ability.

(c) Managed and Unmanaged Waterways

The classification of the waterway as either "managed" or "unmanaged" is not listed as being a required element of the NoC. However, such classification will determine which steps the proponent must take. The template provided in the Class EA does contain a statement regarding the classification of the waterway and the NoC should be as close to the template as reasonably possible. To fully inform the public, the proponent should indicate whether the waterway is managed or unmanaged. The Class EA provides the following rationale for categorizing projects as "unmanaged".

Section 3.1.3

These projects occur on unmanaged waterways and can have the most potential to cause broad effects and/or are expected to have considerable public, Aboriginal community and/or agency interest. These projects feature new developments on river systems not previously subject to water level and flow management. They will not only involve consideration of the direct effects of the new infrastructure, but are



also most likely to require an assessment of the implications of an introduced water management regime.

The rationale of the two classifications being that where a facility is proposed on a river system that does not contain structures or a water management plan that the introduction of such features should be carefully considered because there is the introduction of a “new” influence on the waterway (water level and biological barrier) for which the potential impacts should be carefully considered. The unmanaged waterway projects are therefore subjected to an additional public notice, the notice of inspection, to ensure the public is informed of the potential impacts and proposed mitigation are discussed and an acceptable approach is utilized.

For a managed waterway, the project must be integrated into the existing water management plan and much of the dialogue will revolve around the current management of the waterway and the potential changes to the manner in which the levels/flows are regulated. With a managed waterway there is an understanding of the behaviour of the waterway through the water management plan and typically the new facility will be integrated into the existing scheme rather than making significant alterations to the water management plan.

The relevant definitions in the Class EA are:

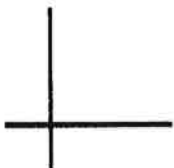
Managed Waterway – A waterway on which other water management infrastructure (dams, diversions, weirs etc.) and/or waterpower facilities exist and for which a human-made water management regime (i.e., levels and flows) has been established.

Unmanaged Waterway – A waterway on which no other water management infrastructure (dams, diversions, weirs etc.) and/or waterpower facilities exist and for which no human-made water management regime (i.e. levels and flows) has been established.

Waterway – a river, stream, canal, lake or other water related feature.

The analysis will be based upon the existing facts. A waterway is a “river, stream, canal, lake etc.” and so when considering the classification the proponent should consider several factors about the river or river system. Some judgement will need to be used. Of note, the definition is not related to watershed nor is it restricted in scope to the Zone of Influence or the direct impact of a man-made structure.

Where the flow is managed currently the introduction of a new structure will need to be coordinated with the existing water management plan. Even if the structure is not within the Zone of Influence of an existing man-made structure, there is a potential to have an impact.



Probably the best way to illustrate the issue would be to use examples.

Project A is located on Tributary A, (a river in its own right) which flows into River B. Tributary A comprises approximately 1% of the flow of River B and there are man-made structures on River B. Tributary A is not materially impacted by the management of River B and River B is not dependent upon Tributary A for any significant flow or water level or storage. Further, the structures are many miles from the point where Tributary A meets River B. In this instance, the waterway would likely be "unmanaged". Absent any structures or a water management plan attributable to the Tributary the existence of the facility on River B has no significant impact on Tributary A.

However, if the circumstances were changed slightly, the answer would be different. Suppose Tributary A provides 45% of the flow into River B which is subject to a water management plan. It is likely in that instance that Tributary A would be considered managed because: (i) the existing water management plan will likely have an influence on the flow/levels of Tributary A; and (ii) there is a potential for the development of the project on Tributary A to impact the flows and levels of River B. The new facility should be integrated into the existing water management plan to ensure that existing operations and rights are properly recognized.

As such, Xeneca has properly classified the waterway for the purpose of the Class EA. If the MOE were to take a pre-emptory position it may result in a fettering of the Minister's decision making ability. As noted above, this is something the MOE should avoid given the risk created.

Summary

If you wish to discuss this further please contact me. As well, if the MOE or others wish to discuss the Class EA process and the views discussed herein, please contact me at your convenience.

Yours truly,

AIRD & BERLIS LLP



Scott Stoll

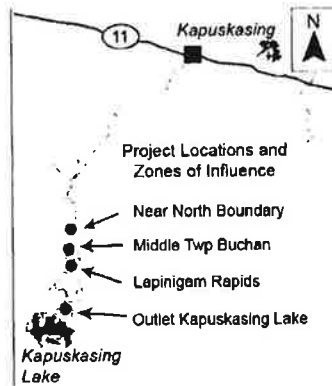
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7308852.1



(project title)

Updated Notice of Commencement and Notice of Public Information Centre
Class EA for Waterpower Projects
Kapuskasing River Waterpower Projects



Comment [T1]: Project Title.

Comment [T2]: A map show project location and anticipated zone of influence.

Xeneca Power Development Inc. is planning to undertake an environmental evaluation and assessment on four proposed Generating Stations located at Kapuskasing Lake Outlet, Lapinigam Rapids, Middle Township Buchan (Clouston Rapids) and at Near North Boundary (Cedar Rapids). Each site is located on the Kapuskasing River, between the community of Elsas and the Town of Kapuskasing. If approved and constructed, these waterpower projects on the Kapuskasing River will generate clean and renewable energy at a total installed capacity of about 19.45 MW. Each generating station will have water control structures (spillway and earthfill dams) with attached powerhouses (with the exception of the Kapuskasing Lake Outlet which will have a spillway dam and an open approach channel to the powerhouse). New roads and possible upgrades of existing roads will be required to access the sites. Transmission lines connecting at Weston Lake Transformer Station/Distribution Station and/or Kapuskasing Transformer Station will be installed in order to connect the stations to the provincial power grid. The projects' study areas are presented in the attached map. Further project information can be obtained by visiting the Xeneca website at www.xeneca.com.

Comment [T3]: Name of Proponent

Construction is expected to start in late fall 2011 and the in-service date for the proposed projects is expected to be in early 2015.

Comment [T4]: A brief description of the project and

Comment [T5]: A tentative schedule

The projects are subject to the provisions of the Ontario Waterpower Association's "Class Environmental Assessment (Class EA) for Waterpower Projects" (2008). Pursuant to the Class EA, the projects are considered to be on a managed waterway.

Comment [T6]: A statement that the project is subject to a defined process under the Class EA for Waterpower Projects;

The Class EA process requires Xeneca Power Development Inc. to undertake an evaluation of the proposed waterpower projects to evaluate the potential effects to the environment (positive and negative) and prepare a detailed Environmental Report. The projects are also expected to require review and approvals under the *Canadian Environmental Assessment Act*, *Fisheries Act*, *Navigable Waters Protection Act*, *Lakes and Rivers Improvement Act (location approval and water management plan)*, *Endangered Species Act*, *Ontario Water Resources Act*, *Environmental Protection Act* and other legislation. This notice and the public consultation process



for the projects under the Class EA, are intended to coordinate and meet the notification requirements relevant to the planning stage of the projects under these statutes.

The evaluation and environmental report will assess the potential effects of construction and operation. Xeneca Power Development Inc. has identified certain environmental components that are expected to be the focus of the proposed Projects. Public consultation will be an integral component of this process.

A Public Information Centre is scheduled for November 1, 2010 from 4pm to 8pm at ??? in the Town of Kapuskasing, and on November 2, 2010 from 4pm to 8pm at ??? in the Town of Chapleau.

You are invited to provide comments on the issues to be addressed, and/or to ask to be placed on the projects' mailing list. For information on the project proposals, to raise any issues or concerns, or to be placed on the mailing list, contact:

Vanessa Enskaitis
Public Affairs Liaison
Xeneca Power Development Inc.
T: 416-590-9362 X 104
F: 416-590-9955
E: venskaitis@xeneca.com

Under the *Freedom of Information and Protection of Privacy Act* and the *Environmental Assessment Act*, unless otherwise stated in the submission, any personal information such as name, address, telephone number and property location included in a submission will become part of the public record files for this matter and will be released, if requested, to any person.

Comment [T7]: An indication of additional opportunities to be informed and/or involved in the project.

Comment [T8]: An invitation to participate in the process

Comment [T9]: A contact name, address, fax and telephone number and or email address to whom questions or requests for additional information should be directed or comments can be sent

Comment [T10]: There is no existing infrastructure so no explicit statement that subsequent direct notices will be provided to those who express an interest in the project.

7308881.1



1173 Yonge St. Suite 520 Toronto, ON M7N 3L9
416-590-9362 416-590-9955 www.xeneca.com

October 13, 2010

Ellen Cramm, MCIP, RPP
Environmental Planner/EA Coordinator
Technical Support Section, Northern Region
Ministry of the Environment
435 South James St., Suite 331
Thunder Bay, ON P7E 6S7

Dear Ms. Cramm,

Based on the attached legal opinions, Xeneca LP is proceeding with issuance of Notice of Commencements and announcing Public Information Centers ("PIC"). Our understanding of the Class Environmental Assessment process for Waterpower projects ("Class EA") based on the advice of Counsel, is that these steps meet or exceed the outlined process.

If MOE has any concern, Xeneca LP ("Xeneca") requests that these concerns be put into writing and MOE contact our legal counsel Scott Stoll to define what these concerns are by October 18th, 2010.

Please contact Mr. Stoll:

Scott Stoll, Partner
Aird & Berlis LLP
Brookfield Place, 181 Bay Street
Suite 1800, Box 754
Toronto, ON M5J 2T9
Phone: 416.865.4703
Email: stoll@airdberlis.com

If no comment is made Xeneca will deem that MOE is satisfied.

Thank you for your time and kind consideration and your support of Xeneca's efforts to meet its FIT Contract obligations to the Ontario Power Authority.

Yours very truly,



Patrick W. Gillette
President & COO

AIRD & BERLIS LLP

Barristers and Solicitors

Scott A. Stoll
Direct: 416.865.4703
E-mail: sstoll@airdberlis.com

October 8, 2010

VIA EMAIL & MAIL

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

Attention: Mr. Patrick W. Gillette, President

Dear Mr. Gillette:

**Re: Ontario Waterpower Class Environmental Assessment ("Class EA")
Ministry of the Environment of the Environment Role and Interpretation**

Xeneca Power Development Inc. ("**Xeneca**") has asked Aird & Berlis LLP to provide its views and opinions on certain matters relating to the Class EA as a result of contradictory approaches taken by various Ministry of the Environment ("**MOE**") offices and the comments made by certain MOE staff.

The issues involve:

- a. The information provided in, and the timing of, the Notice of Commencement ("**NoC**");
- b. The Role of the MOE and the Minister of the Environment ("**Minister**"); and,
- c. Designating the waterway as "managed" or "unmanaged".

(a) Notice of Commencement

The Class EA, at page 33, provides certain minimum requirements for a NoC. I have reviewed the draft NoCs sent to the various agencies and have determined that Xeneca has included all of the required information listed on page 33. For your information, I attached to this letter one NoC and have provided comments where each listed criteria from the Class EA has been addressed. I would note for this particular project one of the criteria is not applicable as there is no existing dam at the project.

I have reviewed the comments received and disagree that the information in the NoC is deficient and am of the view the NoC is compliant with the requirements of the Class EA.

A second issue that has arisen is the timing of the NoC. Comments have been made by MOE staff that the notice of a public information centre (“PIC”) should not occur until after a meeting with the relevant agencies. I understand that this may be desirable, but such linearity in the conduct of the Class EA is not required. The Class EA provides that the process will have an iterative aspect but and that the overall approach will proceed from the general to the specific.

Xeneca is required to meet with the agencies and provide the opportunity for the relevant agencies to have input into the Class EA. I understand Xeneca is making arrangements for such meetings. Further, Xeneca should be aware that if the meeting with the regulatory agencies provides significant new information that can't be provided to the public during the PIC, it may need to hold a follow up PIC in order to provide such new information to the public. However, given that Xeneca has been developing projects for a number of years and the Ministry of Natural Resources has been engaged for three or four years as part of its Site Release Policy, it is unlikely such additional special meetings would be required. The agencies can provide information on who is likely to have an interest based upon the prior experience but ultimately, it is Xeneca's responsibility to ensure the Class EA is properly completed.

I would note the increased demands and workload being placed upon the various agencies from the numerous Feed-In Tariff energy projects - and other infrastructure projects - will make scheduling meetings more difficult and response times will lengthen. By way of example, the first response to the draft NoC from the MOE took two months. Given the time requirements for maintaining compliance with the Ontario Power Authority's (“OPA”) FIT Contract, Xeneca will have to continue to forge ahead with the projects or be put at significant risk of penalties from the OPA. Therefore, provided Xeneca is ensuring the proper agencies, First Nations and the public are properly involved with and informed of the project, Xeneca would be considered to have satisfied the required elements of the Class EA process.

(b) Role of the MOE and the Minister

The role, or more properly roles, of the MOE during a Class EA involve those of a commenting agency that will be providing technical comments on the proposed project and potentially that of a regulatory decision maker. The environmental assessment process is a proponent driven process wherein the proponent is responsible to complete the assessment in accordance with the applicable Class EA - assuming the project does not require an individual environmental assessment.

Waterpower projects typically require a number of permits and approvals, such as a Permit to take Water under the *Ontario Water Resources Act*, to be issued by the MOE in order for the proponent to complete the project. Therefore, the MOE has a role to provide technical advice/information on the needs of the MOE such that the proponent will be able to apply for and obtain the necessary permits and approvals. This may involve



highlighting MOE policies, time requirements to review approvals or other information that may be of use to the proponent in designing and developing the field.

However, it must be remembered, it is the proponent's project and the proponent is responsible for ensuring the process is followed. In many instances this will require the proponent to make judgement decisions and balance the interests of various stakeholders. The MOE should not stray into the proponent's role.

The second potential role is that of a regulatory decision maker. When a proponent has completed the environmental report, the proponent will publish a Notice of Completion. This is followed by a period of time for the review of the environmental report and the opportunity of third parties to make a request for the Minister, or a properly authorized delegate, to issue a Part II order. It is at this time the role of the regulatory decision maker is engaged. The Minister is engaged to determine whether such an order is proper in the circumstances. Where no Part II order is requested the proponent will publish a Statement of Completion and proceed to complete the project. Therefore, prior to the issuance of the end of the public comment period following the Notice of Completion, MOE staff has to be aware that the Minister may have to make a decision in respect of the Class EA. The Minister's decision must comply with all legal requirements, both technical and procedural.

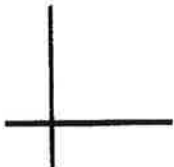
The MOE should be cognizant of this potential duality of roles because it will need to avoid fettering the discretion of the Minister. If the Minister discretion appears to have been fettered, it will give rise to a potential judicial review of such decision. Therefore, Xeneca as proponent, and the MOE should be aware of the MOE's roles. During the initial stages of the Class EA the MOE should restrict its comments to the more technical issues in order to avoid the potential to fetter the Minister's decision making ability.

(c) Managed and Unmanaged Waterways

The classification of the waterway as either "managed" or "unmanaged" is not listed as being a required element of the NoC. However, such classification will determine which steps the proponent must take. The template provided in the Class EA does contain a statement regarding the classification of the waterway and the NoC should be as close to the template as reasonably possible. To fully inform the public, the proponent should indicate whether the waterway is managed or unmanaged. The Class EA provides the following rationale for categorizing projects as "unmanaged".

Section 3.1.3

These projects occur on unmanaged waterways and can have the most potential to cause broad effects and/or are expected to have considerable public, Aboriginal community and/or agency interest. These projects feature new developments on river systems not previously subject to water level and flow management. They will not only involve consideration of the direct effects of the new infrastructure, but are



also most likely to require an assessment of the implications of an introduced water management regime.

The rationale of the two classifications being that where a facility is proposed on a river system that does not contain structures or a water management plan that the introduction of such features should be carefully considered because there is the introduction of a “new” influence on the waterway (water level and biological barrier) for which the potential impacts should be carefully considered. The unmanaged waterway projects are therefore subjected to an additional public notice, the notice of inspection, to ensure the public is informed of the potential impacts and proposed mitigation are discussed and an acceptable approach is utilized.

For a managed waterway, the project must be integrated into the existing water management plan and much of the dialogue will revolve around the current management of the waterway and the potential changes to the manner in which the levels/flows are regulated. With a managed waterway there is an understanding of the behaviour of the waterway through the water management plan and typically the new facility will be integrated into the existing scheme rather than making significant alterations to the water management plan.

The relevant definitions in the Class EA are:

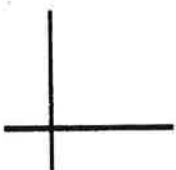
Managed Waterway – A waterway on which other water management infrastructure (dams, diversions, weirs etc.) and/or waterpower facilities exist and for which a human-made water management regime (i.e., levels and flows) has been established.

Unmanaged Waterway – A waterway on which no other water management infrastructure (dams, diversions, weirs etc.) and/or waterpower facilities exist and for which no human-made water management regime (i.e. levels and flows) has been established.

Waterway – a river, stream, canal, lake or other water related feature.

The analysis will be based upon the existing facts. A waterway is a “river, stream, canal, lake etc.” and so when considering the classification the proponent should consider several factors about the river or river system. Some judgement will need to be used. Of note, the definition is not related to watershed nor is it restricted in scope to the Zone of Influence or the direct impact of a man-made structure.

Where the flow is managed currently the introduction of a new structure will need to be coordinated with the existing water management plan. Even if the structure is not within the Zone of Influence of an existing man-made structure, there is a potential to have an impact.



October 8, 2010

Page 5

Probably the best way to illustrate the issue would be to use examples.

Project A is located on Tributary A, (a river in its own right) which flows into River B. Tributary A comprises approximately 1% of the flow of River B and there are man-made structures on River B. Tributary A is not materially impacted by the management of River B and River B is not dependent upon Tributary A for any significant flow or water level or storage. Further, the structures are many miles from the point where Tributary A meets River B. In this instance, the waterway would likely be "unmanaged". Absent any structures or a water management plan attributable to the Tributary the existence of the facility on River B has no significant impact on Tributary A.

However, if the circumstances were changed slightly, the answer would be different. Suppose Tributary A provides 45% of the flow into River B which is subject to a water management plan. It is likely in that instance that Tributary A would be considered managed because: (i) the existing water management plan will likely have an influence on the flow/levels of Tributary A; and (ii) there is a potential for the development of the project on Tributary A to impact the flows and levels of River B. The new facility should be integrated into the existing water management plan to ensure that existing operations and rights are properly recognized.

As such, Xeneca has properly classified the waterway for the purpose of the Class EA. If the MOE were to take a pre-emptory position it may result in a fettering of the Minister's decision making ability. As noted above, this is something the MOE should avoid given the risk created.

Summary

If you wish to discuss this further please contact me. As well, if the MOE or others wish to discuss the Class EA process and the views discussed herein, please contact me at your convenience.

Yours truly,

AIRD & BERLIS LLP

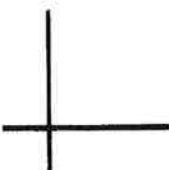


Scott Stoll

SS/hm

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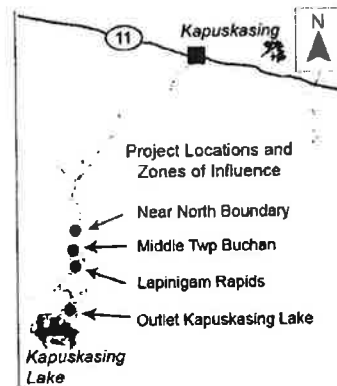


AIRD & BERLIS LLP

Barristers and Solicitors

(project title)

Updated Notice of Commencement and Notice of Public Information Centre
Class EA for Waterpower Projects
Kapuskasing River Waterpower Projects



Comment [T1]: Project Title.

Comment [T2]: A map show project location and anticipated zone of influence.

Xeneca Power Development Inc. is planning to undertake an environmental evaluation and assessment on four proposed Generating Stations located at Kapuskasing Lake Outlet, Lapinagam Rapids, Middle Township Buchan (Clouston Rapids) and at Near North Boundary (Cedar Rapids). Each site is located on the Kapuskasing River, between the community of Elsas and the Town of Kapuskasing. If approved and constructed, these waterpower projects on the Kapuskasing River will generate clean and renewable energy at a total installed capacity of about 19.45 MW. Each generating station will have water control structures (spillway and earthfill dams) with attached powerhouses (with the exception of the Kapuskasing Lake Outlet which will have a spillway dam and an open approach channel to the powerhouse). New roads and possible upgrades of existing roads will be required to access the sites. Transmission lines connecting at Weston Lake Transformer Station/Distribution Station and/or Kapuskasing Transformer Station will be installed in order to connect the stations to the provincial power grid. The projects' study areas are presented in the attached map. Further project information can be obtained by visiting the Xeneca website at www.xeneca.com.

Comment [T3]: Name of Proponent

Construction is expected to start in late fall 2011 and the in-service date for the proposed projects is expected to be in early 2015.

Comment [T4]: A brief description of the project and

Comment [T5]: A tentative schedule

The projects are subject to the provisions of the Ontario Waterpower Association's "Class Environmental Assessment (Class EA) for Waterpower Projects" (2008). Pursuant to the Class EA, the projects are considered to be on a managed waterway.

Comment [T6]: A statement that the project is subject to a defined process under the Class EA for Waterpower Projects;

The Class EA process requires Xeneca Power Development Inc. to undertake an evaluation of the proposed waterpower projects to evaluate the potential effects to the environment (positive and negative) and prepare a detailed Environmental Report. The projects are also expected to require review and approvals under the *Canadian Environmental Assessment Act*, *Fisheries Act*, *Navigable Waters Protection Act*, *Lakes and Rivers Improvement Act (location approval and water management plan)*, *Endangered Species Act*, *Ontario Water Resources Act*, *Environmental Protection Act* and other legislation. This notice and the public consultation process



for the projects under the Class EA, are intended to coordinate and meet the notification requirements relevant to the planning stage of the projects under these statutes.

The evaluation and environmental report will assess the potential effects of construction and operation. Xeneca Power Development Inc. has identified certain environmental components that are expected to be the focus of the proposed Projects. Public consultation will be an integral component of this process.

A Public Information Centre is scheduled for November 1, 2010 from 4pm to 8pm at ??? in the Town of Kapuskasing, and on November 2, 2010 from 4pm to 8pm at ??? in the Town of Chapleau.

You are invited to provide comments on the issues to be addressed, and/or to ask to be placed on the projects' mailing list. For information on the project proposals, to raise any issues or concerns, or to be placed on the mailing list, contact:

Vanessa Enskaitis
Public Affairs Liaison
Xeneca Power Development Inc.
T: 416-590-9362 X 104
F: 416-590-9955
E: venskaitis@xeneca.com

Under the *Freedom of Information and Protection of Privacy Act* and the *Environmental Assessment Act*, unless otherwise stated in the submission, any personal information such as name, address, telephone number and property location included in a submission will become part of the public record files for this matter and will be released, if requested, to any person.

Comment [T7]: An indication of additional opportunities to be informed and/or involved in the project.

Comment [T8]: An invitation to participate in the process

Comment [T9]: A contact name, address, fax and telephone number and or email address to whom questions or requests for additional information should be directed or comments can be sent

Comment [T10]: There is no existing infrastructure so no explicit statement that subsequent direct notices will be provided to those who express an interest in the project.

7308881.1



11777 Yonge St. Suite 520 Toronto, ON M2N 6R9
416-590-9362 • 416-590-9955 www.xeneca.com

October 13, 2010

Paula Allen
Environment Resources Planner/Environmental Assessment
Ministry of the Environment
Sudbury Office
199 Larch St., Suite 1201
Sudbury ON P3E 5P9

Dear Ms. Allen,

Based on the attached legal opinions, Xeneca LP is proceeding with issuance of Notice of Commencements and announcing Public Information Centers ("PIC"). Our understanding of the Class Environmental Assessment process for Waterpower projects ("Class EA") based on the advice of Counsel, is that these steps meet or exceed the outlined process.

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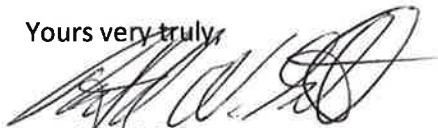
Please contact Mr. Stoll:

Scott Stoll, Partner
Aird & Berlis LLP
Brookfield Place, 181 Bay Street
Suite 1800, Box 754
Toronto, ON M5J 2T9
Phone: 416.865.4703
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Yours very truly,



Patrick W. Gillette
President & COO

AIRD & BERLIS LLP

Barristers and Solicitors

Scott A. Stoll
Direct: 416.865.4703
E-mail: sstoll@airdberlis.com

October 8, 2010

VIA EMAIL & MAIL

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

Attention: Mr. Patrick W. Gillette, President

Dear Mr. Gillette:

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Ministry of the Environment of the Environment Role and Interpretation

Xeneca Power Development Inc. ("Xeneca") has asked Aird & Berlis LLP to provide its views and opinions on certain matters relating to the Class EA as a result of contradictory approaches taken by various Ministry of the Environment ("MOE") offices and the comments made by certain MOE staff.

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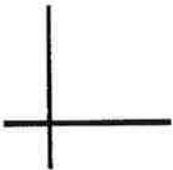
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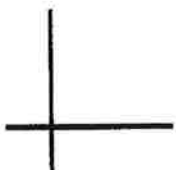
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The relevant definitions in the Class EA are:

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Yours truly,

AIRD & BERLIS LLP



Scott Stoll

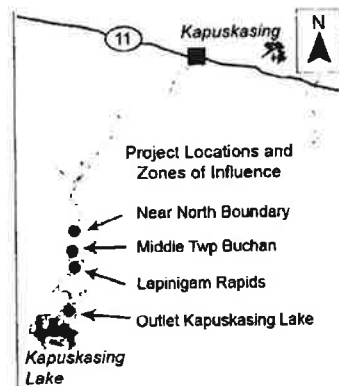
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(project title)

Updated Notice of Commencement and Notice of Public Information Centre
Class EA for Waterpower Projects
Kapuskasing River Waterpower Projects



Comment [T1]: Project Title.

Comment [T2]: A map show project location and anticipated zone of influence.

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The projects are subject to the provisions of the Ontario Waterpower Association's "Class Environmental Assessment (Class EA) for Waterpower Projects" (2008). Pursuant to the Class EA, the projects are considered to be on a managed waterway.

Comment [T6]: A statement that the project is subject to a defined process under the Class EA for Waterpower Projects;

The Class EA process requires Xeneca Power Development Inc. to undertake an evaluation of the proposed waterpower projects to evaluate the potential effects to the environment (positive and negative) and prepare a detailed Environmental Report. The projects are also expected to require review and approvals under the *Canadian Environmental Assessment Act*, *Fisheries Act*, *Navigable Waters Protection Act*, *Lakes and Rivers Improvement Act* (location approval and water management plan), *Endangered Species Act*, *Ontario Water Resources Act*, *Environmental Protection Act* and other legislation. This notice and the public consultation process



2700 Empire St., Suite 520, Toronto, ON M2N 8J9
416-590-9362 416-590-9363 www.xeneca.com

for the projects under the Class EA, are intended to coordinate and meet the notification requirements relevant to the planning stage of the projects under these statutes.

The evaluation and environmental report will assess the potential effects of construction and operation. Xeneca Power Development Inc. has identified certain environmental components that are expected to be the focus of the proposed Projects. Public consultation will be an integral component of this process.

A Public Information Centre is scheduled for November 1, 2010 from 4pm to 8pm at ??? in the Town of Kapuskasing, and on November 2, 2010 from 4pm to 8pm at ??? in the Town of Chapleau.

You are invited to provide comments on the issues to be addressed, and/or to ask to be placed on the projects' mailing list. For information on the project proposals, to raise any issues or concerns, or to be placed on the mailing list, contact:

Vanessa Enskaitis
Public Affairs Liaison
Xeneca Power Development Inc.
T: 416-590-9362 X 104
F: 416-590-9955
E: venskaitis@xeneca.com

Under the *Freedom of Information and Protection of Privacy Act* and the *Environmental Assessment Act*, unless otherwise stated in the submission, any personal information such as name, address, telephone number and property location included in a submission will become part of the public record files for this matter and will be released, if requested, to any person.

Comment [T7]: An indication of additional opportunities to be informed and/or involved in the project.

Comment [T8]: An invitation to participate in the process

Comment [T9]: A contact name, address, fax and telephone number and or email address to whom questions or requests for additional information should be directed or comments can be sent

Comment [T10]: There is no existing infrastructure so no explicit statement that subsequent direct notices will be provided to those who express an interest in the project.

7308881.1



1177 Yonge St. Suite 520 Toronto, ON M5N 3L9
416-590-9362 • 416-590-9955 • www.xeneca.com

October 13, 2010

Vicki Mitchell
Environmental Assessment Coordinator
Ministry of the Environment
1259 Gardiners Road
P.O. Box 22032
Kingston, ON K7M 8S5

Dear Ms. Mitchell:

Based on the attached legal opinions, Xeneca LP is proceeding with issuance of Notice of Commencements and announcing Public Information Centers ("PIC"). Our understanding of the Class Environmental Assessment process for Waterpower projects ("Class EA") based on the advice of Counsel, is that these steps meet or exceed the outlined process.

If MOE has any concern, Xeneca LP ("Xeneca") requests that these concerns be put into writing and MOE contact our legal counsel Scott Stoll to define what these concerns are by October 18th, 2010.

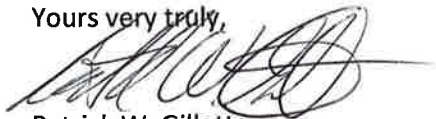
Please contact Mr. Stoll:

Scott Stoll, Partner
Aird & Berlis LLP
Brookfield Place, 181 Bay Street
Suite 1800, Box 754
Toronto, ON M5J 2T9
Phone: 416.865.4703
Email: sstoll@airdberlis.com

If no comment is made Xeneca will deem that MOE is satisfied.

Thank you for your time and kind consideration and your support of Xeneca's efforts to meet its FIT Contract obligations to the Ontario Power Authority.

Yours very truly,



Patrick W. Gillette
President & COO

AIRD & BERLIS LLP

Barristers and Solicitors

Scott A. Stoll
Direct: 416.865.4703
E-mail: sstoll@airdberlis.com

October 8, 2010

VIA EMAIL & MAIL

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

Attention: Mr. Patrick W. Gillette, President

Dear Mr. Gillette:

**Re: Ontario Waterpower Class Environmental Assessment ("Class EA")
Ministry of the Environment of the Environment Role and Interpretation**

Xeneca Power Development Inc. ("Xeneca") has asked Aird & Berlis LLP to provide its views and opinions on certain matters relating to the Class EA as a result of contradictory approaches taken by various Ministry of the Environment ("MOE") offices and the comments made by certain MOE staff.

The issues involve:

- a. The information provided in, and the timing of, the Notice of Commencement ("NoC");
- b. The Role of the MOE and the Minister of the Environment ("Minister"); and,
- c. Designating the waterway as "managed" or "unmanaged".

(a) Notice of Commencement

The Class EA, at page 33, provides certain minimum requirements for a NoC. I have reviewed the draft NoCs sent to the various agencies and have determined that Xeneca has included all of the required information listed on page 33. For your information, I attached to this letter one NoC and have provided comments where each listed criteria from the Class EA has been addressed. I would note for this particular project one of the criteria is not applicable as there is no existing dam at the project.

I have reviewed the comments received and disagree that the information in the NoC is deficient and am of the view the NoC is compliant with the requirements of the Class EA.

A second issue that has arisen is the timing of the NoC. Comments have been made by MOE staff that the notice of a public information centre (“PIC”) should not occur until after a meeting with the relevant agencies. I understand that this may be desirable, but such linearity in the conduct of the Class EA is not required. The Class EA provides that the process will have an iterative aspect but and that the overall approach will proceed from the general to the specific.

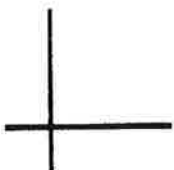
Xeneca is required to meet with the agencies and provide the opportunity for the relevant agencies to have input into the Class EA. I understand Xeneca is making arrangements for such meetings. Further, Xeneca should be aware that if the meeting with the regulatory agencies provides significant new information that can’t be provided to the public during the PIC, it may need to hold a follow up PIC in order to provide such new information to the public. However, given that Xeneca has been developing projects for a number of years and the Ministry of Natural Resources has been engaged for three or four years as part of its Site Release Policy, it is unlikely such additional special meetings would be required. The agencies can provide information on who is likely to have an interest based upon the prior experience but ultimately, it is Xeneca’s responsibility to ensure the Class EA is properly completed.

I would note the increased demands and workload being placed upon the various agencies from the numerous Feed-In Tariff energy projects - and other infrastructure projects - will make scheduling meetings more difficult and response times will lengthen. By way of example, the first response to the draft NoC from the MOE took two months. Given the time requirements for maintaining compliance with the Ontario Power Authority’s (“OPA”) FIT Contract, Xeneca will have to continue to forge ahead with the projects or be put at significant risk of penalties from the OPA. Therefore, provided Xeneca is ensuring the proper agencies, First Nations and the public are properly involved with and informed of the project, Xeneca would be considered to have satisfied the required elements of the Class EA process.

(b) Role of the MOE and the Minister

The role, or more properly roles, of the MOE during a Class EA involve those of a commenting agency that will be providing technical comments on the proposed project and potentially that of a regulatory decision maker. The environmental assessment process is a proponent driven process wherein the proponent is responsible to complete the assessment in accordance with the applicable Class EA – assuming the project does not require an individual environmental assessment.

Waterpower projects typically require a number of permits and approvals, such as a Permit to take Water under the *Ontario Water Resources Act*, to be issued by the MOE in order for the proponent to complete the project. Therefore, the MOE has a role to provide technical advice/information on the needs of the MOE such that the proponent will be able to apply for and obtain the necessary permits and approvals. This may involve



highlighting MOE policies, time requirements to review approvals or other information that may be of use to the proponent in designing and developing the field.

However, it must be remembered, it is the proponent's project and the proponent is responsible for ensuring the process is followed. In many instances this will require the proponent to make judgement decisions and balance the interests of various stakeholders. The MOE should not stray into the proponent's role.

The second potential role is that of a regulatory decision maker. When a proponent has completed the environmental report, the proponent will publish a Notice of Completion. This is followed by a period of time for the review of the environmental report and the opportunity of third parties to make a request for the Minister, or a properly authorized delegate, to issue a Part II order. It is at this time the role of the regulatory decision maker is engaged. The Minister is engaged to determine whether such an order is proper in the circumstances. Where no Part II order is requested the proponent will publish a Statement of Completion and proceed to complete the project. Therefore, prior to the issuance of the end of the public comment period following the Notice of Completion, MOE staff has to be aware that the Minister may have to make a decision in respect of the Class EA. The Minister's decision must comply with all legal requirements, both technical and procedural.

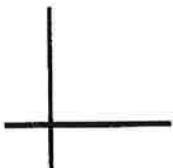
The MOE should be cognizant of this potential duality of roles because it will need to avoid fettering the discretion of the Minister. If the Minister discretion appears to have been fettered, it will give rise to a potential judicial review of such decision. Therefore, Xeneca as proponent, and the MOE should be aware of the MOE's roles. During the initial stages of the Class EA the MOE should restrict its comments to the more technical issues in order to avoid the potential to fetter the Minister's decision making ability.

(c) Managed and Unmanaged Waterways

The classification of the waterway as either "managed" or "unmanaged" is not listed as being a required element of the NoC. However, such classification will determine which steps the proponent must take. The template provided in the Class EA does contain a statement regarding the classification of the waterway and the NoC should be as close to the template as reasonably possible. To fully inform the public, the proponent should indicate whether the waterway is managed or unmanaged. The Class EA provides the following rationale for categorizing projects as "unmanaged".

Section 3.1.3

These projects occur on unmanaged waterways and can have the most potential to cause broad effects and/or are expected to have considerable public, Aboriginal community and/or agency interest. These projects feature new developments on river systems not previously subject to water level and flow management. They will not only involve consideration of the direct effects of the new infrastructure, but are



also most likely to require an assessment of the implications of an introduced water management regime.

The rationale of the two classifications being that where a facility is proposed on a river system that does not contain structures or a water management plan that the introduction of such features should be carefully considered because there is the introduction of a “new” influence on the waterway (water level and biological barrier) for which the potential impacts should be carefully considered. The unmanaged waterway projects are therefore subjected to an additional public notice, the notice of inspection, to ensure the public is informed of the potential impacts and proposed mitigation are discussed and an acceptable approach is utilized.

For a managed waterway, the project must be integrated into the existing water management plan and much of the dialogue will revolve around the current management of the waterway and the potential changes to the manner in which the levels/flows are regulated. With a managed waterway there is an understanding of the behaviour of the waterway through the water management plan and typically the new facility will be integrated into the existing scheme rather than making significant alterations to the water management plan.

The relevant definitions in the Class EA are:

Managed Waterway – A waterway on which other water management infrastructure (dams, diversions, weirs etc.) and/or waterpower facilities exist and for which a human-made water management regime (i.e., levels and flows) has been established.

Unmanaged Waterway – A waterway on which no other water management infrastructure (dams, diversions, weirs etc.) and/or waterpower facilities exist and for which no human-made water management regime (i.e. levels and flows) has been established.

Waterway – a river, stream, canal, lake or other water related feature.

The analysis will be based upon the existing facts. A waterway is a “river, stream, canal, lake etc.” and so when considering the classification the proponent should consider several factors about the river or river system. Some judgement will need to be used. Of note, the definition is not related to watershed nor is it restricted in scope to the Zone of Influence or the direct impact of a man-made structure.

Where the flow is managed currently the introduction of a new structure will need to be coordinated with the existing water management plan. Even if the structure is not within the Zone of Influence of an existing man-made structure, there is a potential to have an impact.



October 8, 2010

Page 5

Probably the best way to illustrate the issue would be to use examples.

Project A is located on Tributary A, (a river in its own right) which flows into River B. Tributary A comprises approximately 1% of the flow of River B and there are man-made structures on River B. Tributary A is not materially impacted by the management of River B and River B is not dependent upon Tributary A for any significant flow or water level or storage. Further, the structures are many miles from the point where Tributary A meets River B. In this instance, the waterway would likely be "unmanaged". Absent any structures or a water management plan attributable to the Tributary the existence of the facility on River B has no significant impact on Tributary A.

However, if the circumstances were changed slightly, the answer would be different. Suppose Tributary A provides 45% of the flow into River B which is subject to a water management plan. It is likely in that instance that Tributary A would be considered managed because: (i) the existing water management plan will likely have an influence on the flow/levels of Tributary A; and (ii) there is a potential for the development of the project on Tributary A to impact the flows and levels of River B. The new facility should be integrated into the existing water management plan to ensure that existing operations and rights are properly recognized.

As such, Xeneca has properly classified the waterway for the purpose of the Class EA. If the MOE were to take a pre-emptory position it may result in a fettering of the Minister's decision making ability. As noted above, this is something the MOE should avoid given the risk created.

Summary

If you wish to discuss this further please contact me. As well, if the MOE or others wish to discuss the Class EA process and the views discussed herein, please contact me at your convenience.

Yours truly,

AIRD & BERLIS LLP

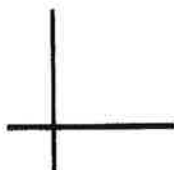


Scott Stoll

SS/hm

Encl.

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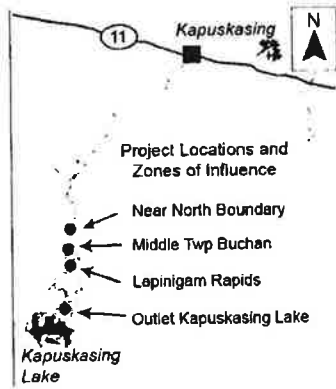


AIRD & BERLIS LLP

Barristers and Solicitors

(project title)

Updated Notice of Commencement and Notice of Public Information Centre
Class EA for Waterpower Projects
Kapusksasing River Waterpower Projects



Comment [T1]: Project Title.

Comment [T2]: A map show project location and anticipated zone of influence.

Xeneca Power Development Inc. is planning to undertake an environmental evaluation and assessment on four proposed Generating Stations located at Kapuskasing Lake Outlet, Lapinagam Rapids, Middle Township Buchan (Clouston Rapids) and at Near North Boundary (Cedar Rapids). Each site is located on the Kapuskasing River, between the community of Elsas and the Town of Kapuskasing. If approved and constructed, these waterpower projects on the Kapuskasing River will generate clean and renewable energy at a total installed capacity of about 19.45 MW. Each generating station will have water control structures (spillway and earthfill dams) with attached powerhouses (with the exception of the Kapuskasing Lake Outlet which will have a spillway dam and an open approach channel to the powerhouse). New roads and possible upgrades of existing roads will be required to access the sites. Transmission lines connecting at Weston Lake Transformer Station/Distribution Station and/or Kapuskasing Transformer Station will be installed in order to connect the stations to the provincial power grid. The projects' study areas are presented in the attached map. Further project information can be obtained by visiting the Xeneca website at www.xeneca.com.

Comment [T3]: Name of Proponent

Construction is expected to start in late fall 2011 and the in-service date for the proposed projects is expected to be in early 2015.

Comment [T4]: A brief description of the project and

Comment [T5]: A tentative schedule

The projects are subject to the provisions of the Ontario Waterpower Association's "Class Environmental Assessment (Class EA) for Waterpower Projects" (2008). Pursuant to the Class EA, the projects are considered to be on a managed waterway.

Comment [T6]: A statement that the project is subject to a defined process under the Class EA for Waterpower Projects;

The Class EA process requires Xeneca Power Development Inc. to undertake an evaluation of the proposed waterpower projects to evaluate the potential effects to the environment (positive and negative) and prepare a detailed Environmental Report. The projects are also expected to require review and approvals under the *Canadian Environmental Assessment Act*, *Fisheries Act*, *Navigable Waters Protection Act*, *Lakes and Rivers Improvement Act (location approval and water management plan)*, *Endangered Species Act*, *Ontario Water Resources Act*, *Environmental Protection Act* and other legislation. This notice and the public consultation process



for the projects under the Class EA, are intended to coordinate and meet the notification requirements relevant to the planning stage of the projects under these statutes.

The evaluation and environmental report will assess the potential effects of construction and operation. Xeneca Power Development Inc. has identified certain environmental components that are expected to be the focus of the proposed Projects. Public consultation will be an integral component of this process.

A Public Information Centre is scheduled for November 1, 2010 from 4pm to 8pm at ??? in the Town of Kapuskasing, and on November 2, 2010 from 4pm to 8pm at ??? in the Town of Chapleau.

You are invited to provide comments on the issues to be addressed, and/or to ask to be placed on the projects' mailing list. For information on the project proposals, to raise any issues or concerns, or to be placed on the mailing list, contact:

Vanesa Enskaitis
Public Affairs Liaison
Xeneca Power Development Inc.
T: 416-590-9362 X 104
F: 416-590-9955
E: venskaitis@xeneca.com

Under the *Freedom of Information and Protection of Privacy Act* and the *Environmental Assessment Act*, unless otherwise stated in the submission, any personal information such as name, address, telephone number and property location included in a submission will become part of the public record files for this matter and will be released, if requested, to any person.

Comment [T7]: An indication of additional opportunities to be informed and/or involved in the project.

Comment [T8]: An invitation to participate in the process

Comment [T9]: A contact name, address, fax and telephone number and or email address to whom questions or requests for additional information should be directed or comments can be sent

Comment [T10]: There is no existing infrastructure so no explicit statement that subsequent direct notices will be provided to those who express an interest in the project.

7308881.1



1177 Yonge St. Suite 520 Toronto, ON M2N 3B9
416-590-9362 • 416-590-9955 www.xeneca.com



June 10, 2010

Ministry of Tourism and Culture
Hearst Block, 9th Floor
900 Bay Street
Toronto, Ontario M7A 2E1

To whom it may concern,

As you may be aware, Xeneca Power Development Inc. has been awarded 19 Feed in Tariff contracts by the Ontario Power Authority ("OPA") to purchase water generated renewable power. Listed below are the sites within the Province of Ontario:

Allen & Struthers – MNR site # 2DB13, 2DB14 on the Wanapitei River
Cascade Falls – MNR site # 2CF09 on the Vermillion River
At Soo Crossing – MNR site # 2CF11 on the Vermillion River
Wabageshik – MNR site # 2CF12 on the Vermillion River
McPherson Falls – MNR site # 2CF46, 2CF47 on the Vermillion River
Four Slide Falls – MNR site # 2CD14 on the Serpent River
McCarthy Chute – MNR site # 2CD15 on the Serpent River
Near North Boundary – MNR site #4LF09 on the Kapuskasing River
Middle Twp. Buchan – MNR site # 4LF05 on the Kapuskasing River
Lapinigam Rapids – MNR site #4LE03 on the Kapuskasing River
Outlet Kapuskasing Lake – MNR site #4LE01 on the Kapuskasing River
Ivanhoe: Third Falls – MNR site # 4LC17 on the Ivanhoe River
Ivanhoe: The Chute – MNR site # 4LC18 on the Ivanhoe River
Wanatango Falls – MNR site # 4MD02 on the Frederick House River
Larder & Raven – MNR site # 2JC21, 2JC22 on the Larder River
Marter Twp. – MNR site #2JC16, 2JC17 on the Blanche River
Big Eddy – MNR site # 2KB21 on the Petawawa River
Half Mile Rapids (at CFB Petawawa) on the Petawawa River

An attached map provided on CD will help to further identify the site locations for each of the projects. Additionally, included in this package is a draft of the Notice of Commencement under the Class EA for Waterpower Projects which will be issued shortly, as well as descriptions of the projects listed above.

This letter is intended to notify your agency of the pending projects and invite agency comment and/or participation where applicable.



Upon review, you may be aware the OPA schedule will prove challenging to both Xeneca and the affected government agencies, as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we are requesting the following:

- Ministry of Tourism and Culture's acknowledgement of receipt of this notice.
- Indication if the Ministry of Tourism and Culture intends to comment on some, or all of the projects. If the Ministry of Tourism and Culture intends to participate, please indicate the appropriate agency personnel who will handle the Xeneca project files.
- A Ministry of Tourism and Culture list of any known issues, concerns and/or comments with respect to the projects, as well as any known non-government stakeholders whom may have interest in these projects.

Please note Xeneca is prepared to meet with the Ministry of Tourism and Culture by teleconference to discuss any issues, and requests to be advised of any permits the Ministry of Tourism and Culture may require from Xeneca and/or its consultants in order to complete the Ministry of Tourism and Culture policy and procedures.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick Gillette", is written over a white background.

Patrick Gillette
President and COO
Xeneca Power Development LP

Ministry of Tourism and Culture

199 Larch Street, Suite 401
Sudbury, ON P3E 5P9
Toll-free: 1-800-462-9906
Tel: 705-564-3177
Fax: 705-564-3043
Email:
resourcebasedtourism@ontario.ca

**Ministère du Tourisme et de la
Culture**

199, rue Larch, Bureau 401
Sudbury, ON P3E 5P9
Sans-frais: 1-800-462-9906
Tél: 705-564-3177
Télé: 705-564-3043
Courriel:
resourcebasedtourism@ontario.ca



June 24, 2010

RECEIVED

JUN 28 2010

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

Dear Mr. Gillette:

Thank you for your letter of June 10th to our Ministry and package of information relating to 19 Feed in Tariff contracts that your company has been awarded in the province. The information was forwarded to our Northern Policy and Planning Unit as most of the projects are located in Northern Ontario.

Please be advised that as a pan-northern policy unit we have not identified any concerns relating to the 19 projects. However, the information has been forwarded to a colleague with the Ministry of Northern Development, Mines and Forestry (MNDMF) who will coordinate any necessary response from that Ministry as MNDMF is involved with tourism delivery at a local and regional level in Northern Ontario.

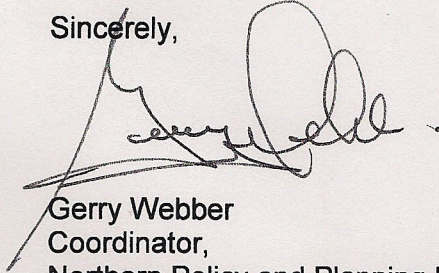
Murray Morello
Manager, Sudbury Area Team
Ministry of Northern Development, Mines and Forestry
159 Cedar Street, Suite 601
Sudbury, ON P3E 6A5
Ph: 705-564-7519
Email: murray.morello@ontario.ca

For the Petawawa River sites, the information has been forwarded to the following colleague for review.

Jonathon Harris
Tourism Industry Advisor
Ministry of Tourism and Culture
347 Preston Street, 4th Floor
Ottawa, ON K1S 3J4
Ph: 613-742-3368
Email: jonathon.harris@ontario.ca

Thank you again for sharing the project information with our Ministry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gerry Webber', written over a horizontal line.

Gerry Webber
Coordinator,
Northern Policy and Planning Unit

- cc. Alicia Williams, Senior Policy and Issues Coordinator (Tourism), Deputy Minister's Office, Ministry of Tourism and Culture, Toronto.
Murray Morello, Ministry of Northern Development, Mines and Forestry, Sudbury.
Jonathon Harris, Ministry of Tourism and Culture, Ottawa.
Vanessa Enskaitis, Public Affairs Liaison, Xeneca Power Development Inc., Toronto.

June 10, 2010

Eastern Municipal Services Office
Ontario Ministry of Municipal Affairs
Rockwood House
8 Estate Lane
Kingston, ON K7M 9A8

To whom it may concern,

As you may be aware, Xeneca Power Development Inc. has been awarded 19 Feed in Tariff contracts by the Ontario Power Authority ("OPA") to purchase water generated renewable power. The following sites are believed to be within your jurisdiction:

Big Eddy – MNR site # 2KB21 on the Petawawa River
Half Mile Rapids (at CFB Petawawa) on the Petawawa River

An attached map provided on CD will help to further identify the site locations for each of the projects. Additionally, included in this package is a draft of the Notice of Commencement under the Class EA for Waterpower Projects which will be issued shortly, as well as descriptions of the projects listed above.

This letter is intended to notify your agency of the pending projects and invite agency comment and/or participation where applicable.

Upon review, you may be aware the OPA schedule will prove challenging to both Xeneca and the affected government agencies, as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we are requesting the following:

- The Ministry of Municipal Affairs acknowledgement of receipt of this notice.
- Indication if the Ministry of Municipal Affairs intends to comment on some, or all of the projects. If the Ministry of Municipal Affairs intends to participate, please indicate the appropriate agency personnel who will handle the Xeneca project files.
- A Ministry of Municipal Affairs list of any known issues, concerns and/or comments with respect to the projects, as well as any known non-government stakeholders whom may have interest in these projects.



Please note Xeneca is prepared to meet with the Ministry of Municipal Affairs by teleconference to discuss any issues, and requests to be advised of any permits the Ministry of Municipal Affairs may require from Xeneca and/or its consultants in order to complete the Ministry of Municipal Affairs' policy and procedures.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick W. Gillette", is written over a light blue horizontal line.

Patrick Gillette
President and COO
Xeneca Power Development LP

June 10, 2010

Ms. Ann-Marie Fenlon
Ministry of Northern Development, Mines & Forestry
Suite 200, 70 Foster Drive
Sault Ste. Marie, ON P6A 6V8

Dear Ms. Fenlon,

As you may be aware, Xeneca Power Development Inc. has been awarded 19 Feed in Tariff contracts by the Ontario Power Authority ("OPA") to purchase water generated renewable power. The following sites are believed to be within your jurisdiction:

Allen & Struthers – MNR site # 2DB13, 2DB14 on the Wanapitei River
Cascade Falls – MNR site # 2CF09 on the Vermillion River
At Soo Crossing – MNR site # 2CF11 on the Vermillion River
Wabageshik – MNR site # 2CF12 on the Vermillion River
McPherson Falls – MNR site # 2CF46, 2CF47 on the Vermillion River
Four Slide Falls – MNR site # 2CD14 on the Serpent River
McCarthy Chute – MNR site # 2CD15 on the Serpent River
Near North Boundary – MNR site # 4LF09 on the Kapuskasing River
Middle Twp. Buchan – MNR site # 4LF05 on the Kapuskasing River
Lapinigam Rapids – MNR site # 4LE03 on the Kapuskasing River
Outlet Kapuskasing Lake – MNR site # 4LE01 on the Kapuskasing River
Ivanhoe: Third Falls – MNR site # 4LC17 on the Ivanhoe River
Ivanhoe: The Chute – MNR site # 4LC18 on the Ivanhoe River
Wanatango Falls – MNR site # 4MD02 on the Frederick House River
Larder & Raven – MNR site # 2JC21, 2JC22 on the Larder River
Marter Twp. – MNR site # 2JC16, 2JC17 on the Blanche River
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Half Mile Rapids (at CFB Petawawa) on the Petawawa River

An attached map provided on CD will help to further identify the site locations for each of the projects. Additionally, included in this package is a draft of the Notice of Commencement under the Class EA for Waterpower Projects which will be issued shortly, as well as descriptions of the projects listed above.

This letter is intended to notify your agency of the pending projects and invite agency comment and/or participation where applicable.



Upon review, you may be aware the OPA schedule will prove challenging to both Xeneca and the affected government agencies, as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we are requesting the following:

- The Ministry of Northern Development, Mines & Forestry's acknowledgement of receipt of this notice.
- Indication if the Ministry of Northern Development, Mines & Forestry intends to comment on some, or all of the projects. If the Ministry of Northern Development, Mines & Forestry intends to participate, please indicate the appropriate agency personnel who will handle the Xeneca project files.
- A Ministry of Northern Development, Mines & Forestry list of any known issues, concerns and/or comments with respect to the projects, as well as any known non-government stakeholders whom may have interest in these projects.

Please note Xeneca is prepared to meet with the Ministry of Northern Development, Mines & Forestry by teleconference to discuss any issues, and requests to be advised of any permits the Ministry of Northern Development, Mines & Forestry may require from Xeneca and/or its consultants in order to complete the Ministry of Northern Development, Mines & Forestry's policy and procedures.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick Gillette", is written over a light blue horizontal line.

Patrick Gillette
President and COO
Xeneca Power Development LP



5160 Yonge St., Suite 520, Toronto, ON M2N 6L9
tel 416-590-9362 fax 416-590-9955 www.xeneca.com

June 28, 2010

Ms. Monica Gates
Mines & Minerals Division
Ministry of Northern Development, Mines & Forestry
933 Ramsey Lake Road, 6th Floor
Sudbury, ON P3E 6B5

Dear Ms. Gates,

As per your request, please find enclosed a CD containing the map with the specific locations of Xeneca's nineteen (19) FIT Contract projects.

Please feel free to contact the undersigned by email at Samantha@xeneca.com for any additional information or requests.

Yours truly,

A handwritten signature in black ink, appearing to read "Samantha Leavitt", is written in a cursive style.

Samantha Leavitt
Stakeholder Relations Representative



Ministry of
Northern Development,
Mines and Forestry

Ministère du
Développement du Nord,
des Mines et des Forêts

933 Ramsey Lake Road
Sudbury, ON P3E 6B5
Phone: 705-670-5887
Fax: 705-670-5807

Ms. Samantha Leavitt
Xeneca Power Development Inc.
520-5160 Yonge St
Toronto ON M2N 6L9

July 8, 2010

Dear Ms. Leavitt

This letter is in response to the review of Xeneca Power Development Inc.'s proposal relating to 18 hydro-electric developments. The Resident Geologist Program (RGP) has done the following with regard to each development:

1. checked the site of the proposed dam to determine its status with regard to tenure and alienation of surface rights and mining rights;
2. checked the Ministry's Abandoned Mines Information System (AMIS) database to determine whether any mining-related hazards are recorded in the area of the dam, or within a one-kilometre radius of it;
3. checked the Ministry's Assessment File Report Inventory (AFRI) database to determine whether past mineral exploration activity has been reported for the area;
4. reviewed the Xeneca "Project Overview" for each site to assess the potential environmental considerations identified by the company; and
5. used the GIS-based "Metallic Mineral Potential Estimation Tool" to get an estimation of the mineral potential of the dam sites.

The outcomes of these reviews are listed in the Attachment to this letter.

An additional concern that relates to all of these sites is that they will have power lines ranging from 1.1 to 22 kilometres in length associated with them. All of the types of assessments that have been done for the dam sites themselves must also be done for the transmission corridors, and the concerns raised in the Attachment with regard to the individual dam sites will also need to be addressed for each of the transmission corridors.

I trust that you will find this in order.

Yours truly,

A handwritten signature in cursive script that reads "Ruth Debecki".

R.L. Debecki, P.Geol.
Land Use Policy and Planning Coordinator

cc: Jennifer Lillie-Paetz, Environmental Assessment Coordinator, MNDFM

ATTACHMENT 1
Xeneca Power Development Inc.'s Proposals
MDNMF Comments – Resident Geologist Program

1. With regard to each project, Xeneca has recognized “riparian rights” in its Project Overview documents as being potential environmental considerations, and has identified the following four categories of land to which those riparian rights might apply:

- Crown Land;
- Federal Land and Private Land;
- Federal Land (DFB Petawawa); and
- Crown and Private Land

Xeneca has not recognized in its Project Overview documents that there are two rights in land: surface rights, and mining rights. Each may be held by different owners, and the owners of each have their own rights and obligations. Should Xeneca wish to undertake any work on a property where a mining claim is held by a third party, the *Mining Act* requires the company to obtain the approval of the claimholder before undertaking such work, or – failing such approval – the consent of the Lieutenant Governor in Council, regardless of whether the surface rights are held by the Crown or by some other private owner.

The status of land tenure at the dam sites (as noted on MNDMF’s CLAIMaps website on July 7, 2010), is summarized in the table below.

Project Site	Mining Lands		Surface Rights		Other “Alienations”
	Claims	Leases	Patented	Crown	
Allen & Struthers	None	none	No	Yes	No
Big Eddy	None	none	No	CFB Petawawa	Yes
Cascade Falls	None	none	Yes	No	No
Four Slide Falls	Yes : 4221194	none	No	Yes	No
Half Mile Rapids	none	none	No	Yes	No
Lapinigam Rapids	none	none	No	Yes	Yes
Larder & Raven	none	none	No	Yes	Yes
Marter Twp.	none	none	Yes	No	Maybe
McCarthy Chute	none	none	No	Yes	Yes
McPherson Falls	None	none	Yes	No	No
Middle Twp. Buchan	none	none	No	Yes	Yes
Near North Boundary	none	none	No	Yes	Yes
Outlet Kapuskasing Lake	none	none	No	Yes	Yes

Soo Crossing	none	none	Yes	No	No
The Chute	none	none	No	Yes	Yes
Third Falls	Yes : 3006261	none	No	Yes	Yes
Wabageshik	none	none	No	Yes	No
Wanatango Falls	Yes : 1154617	none	No	Yes	Yes

Note that there are currently mining claims in good standing at three of the proposed dam sites. There are no mining leases at any of the proposed dam sites.

Since the mining tenure in the Province is constantly changing, however, Xeneca is advised to check the Ministry's CLAIMaps website at:

http://www.mndm.gov.on.ca/mines/lands/claimap3/disclaimer_e.asp

on a regular basis to determine the status of their areas of interest.

In addition to considerations regarding the mineral rights of the proposed dam sites, Xeneca may have to consider other factors with regard to the status of the land at several of the sites. It appears that there are privately owned lands at four of the sites. The owner may be the Ministry of Natural Resources (as opposed to the Crown), or some other third party.

There are other "alienations" at ten of the Crown-owned sites that may also need to be addressed. These alienations may be *Mining Act* withdrawals that would accommodate hydro-electric developments, but they may reflect other alienations such as protected area status that would make development difficult.

Depending upon the extent of inundation from the development, or the location of infrastructure related to the hydro-electric development, similar considerations may have to be addressed for the area surrounding the dam site itself. The table below lists the status of lands within a one-kilometre radius of the coordinates of the dam site, and shows that five of the sites have mining claims nearby, two have mining leases nearby. In addition, it shows that seven sites have patented surface rights nearby and 11 have "other alienations" nearby.

Project Site	Mining Lands		Surface Rights		Other "Alienations"
	Claims	Leases	Patented	Crown	
Allen & Struthers	None	None	Yes	Yes	No
Big Eddy	None	None	No	No	Yes
Cascade Falls	None	Yes	Yes	No	No

Four Slide Falls	Yes: 4221194 and 4221193	None	No	Yes	No
Half Mile Rapids	None	None	No	Mckay Yes Petawawa No	No
Lapinigam Rapids	None	None	No	Yes	Buchan, Clouston and Davie Yes Amundsen No
Larder & Raven	None	None	No	Yes	Yes
Marter Twp.	Yes: 4225614 and 5225613	None	Yes	Yes	Marter Yes Chamber, lain No
McCarthy Chute	None	None	No	Yes	Yes
McPherson Falls	None	None	Yes	No	No
Middle Twp. Buchan	None	None	No	Yes	Yes
Near North Boundary	None	None	No	Yes	Yes
Outlet Kapuskasing Lake	None	None	No	Yes	Yes
Soo Crossing	None	Yes	Yes	No	No
The Chute	None	None	No	Yes	Yes
Third Falls	Yes: 3006261, 3006260, 3006253 and 3006257	None	No	Yes	Yes
Wabageshik	Yes: 4254407	None	Yes	Yes	No
Wanatango Falls	Yes: 3006946, 1190501, 1154618, 1154614, 1154622, 1219621, 1154621, 1154613, 1154617, 1154627, 4230128, 1154626, 1154616, 1154612, 1154620, 1154619, 1154611, 1154615 and 1154625	None	Yes	Yes	Mann: Yes Duff: No

2. The status of mining-related hazards, as identified using the Ministry’s Abandoned Mines Information System (AMIS) database, is summarized below.

Mining-related hazards are normally divided into two categories; those in very close proximity to the dam sites; and those centred within one kilometre of the dam sites. Depending upon the type of a hazard, its effects may extend beyond its “pinpoint” surface location. For example, underground workings may extend laterally for significant distances from a shaft; windblown contaminants can affect areas surrounding an un-rehabilitated tailings area; and contaminated surface or groundwater may flow beyond the site of a physical hazard.

The table below indicates the number of recorded hazards that may need to be considered with regard to each proposed development. The first column gives the name of the project. The second indicates the number of hazards within the township where the proposed dam site is located. The proposed dam site may actually be more than one kilometre from any hazard, but more detailed work would have to be done to determine this. A preliminary review suggests that there are no mining-related hazards in the “immediate vicinity” of the proposed dam sites. The third column indicates the numbers of recorded hazards in all townships within a one-kilometre radius of each proposed development, because some of the proposed developments are close to one or more township boundaries.

Project Site	AMIS Reports – Township of Project Site	AMIS Reports –Townships within one kilometre of Project Site
Allen & Struthers	1	1
Big Eddy	None	None
Cascade Falls	13	13
Four Slide Falls	1	1
Half Mile Rapids	None	None
Lapinigam Rapids	None	Buchan, Clouston, Amundsen and Davin: None
Larder & Raven	None	None
Marter Twp.	1	Marter: 1 (Mine site within 1 Township); Chamberlain: None
McCarthy Chute	1	Proctor: 1; Deagle: None
McPherson Falls	9	9
Middle Twp. Buchan	None	None
Near North Boundary	None	None
Outlet Kapuskasing Lake	None	None
Soo Crossing	13	13

The Chute	None	None
Third Falls	None	None
Wabageshik	7	7
Wanatango Falls	1	Mann: 1; Duff: None

Xeneca Power Development Inc. should take these areas into consideration as a matter of health and safety for any of its employees who may be working in the area. In addition, Xeneca Power Development Inc. should be aware that it is an offence under the *Mining Act* to alter, destroy, remove or impair any rehabilitation work made in accordance with the Act.

Please note that the information provided with regard to AMIS sites has been compiled from various sources, and the Ministry makes no representation and takes no responsibility that it is accurate, current or complete. Xeneca Power Development Inc. may wish to undertake its own independent investigation to validate this information.

3. The Ministry's Assessment File Report Inventory (AFRI) database provides an indication as to whether past mineral exploration activity has been reported for the area.

For the townships in which the proposed sites are located, the numbers of assessment reports listed in the table below are on file with the Ministry. The first column gives the name of the project. The second indicates the number of assessment reports within the township where the proposed dam site is located. The proposed dam site may actually be more than one kilometre from the subject area of any or all of the assessment reports, but more detailed work would have to be done to determine this. The third column indicates the numbers of assessment reports in all townships within a one-kilometre radius of each proposed development, because the sites of some of the proposed development sites are close to one or more township boundaries.

Project Site	AFRI Reports – Township of Project Site	AFRI Reports –Townships within one kilometre of Project Site
Allen & Struthers	None	None
Big Eddy	None	None
Cascade Falls	58	58
Four Slide Falls	12	12
Half Mile Rapids	1	Mckay: 1; Petawawa: None
Lapinagam Rapids	0 or 1	Buchan: 0 or 1; Clouston, Amundsen and Davin: None
Larder & Raven	62	62

Marter Twp.	29	Marter: 29; Chamberlain: 5
McCarthy Chute	12	Proctor: 12; Deagle: 10
McPherson Falls	18	18
Middle Twp. Buchan	None	Clouston: None; Buchan: 0 or 1
Near North Boundary	0 or 1	Clouston: None; Buchan: 0 or 1; Maude and Allenby: 1
Outlet Kapuskasing Lake	None	None
Soo Crossing	58	58
The Chute	11	11
Third Falls	64	64
Wabageshik	78	78
Wanatango Falls	Approximately 232	Mann: Approximately 232; Duff: 36

Again, please note that the information provided with regard to the assessment reports has been compiled from various sources, and the Ministry makes no representation and takes no responsibility that it is accurate, current or complete. Other exploration and development work that may have been done, but not reported is also protected by the *Mining Act*.

Xeneca Power Development Inc. should note that if mineral development workings or claim markings are not recognized and subjected to damage (e.g., claim lines or grid lines are destroyed by cutting vegetation), the *Mining Act* requires that compensation shall be paid to the claimholder.

4. The “Project Overviews” for each of the sites were reviewed to assess the potential “environmental” considerations identified by the company. Four considerations were identified for every site. They are:

- fish species, habitat and migration;
- terrestrial vegetation and habitat;
- First Nations / Aboriginal traditional land / resource use; and
- recreational use and navigation.

A fifth consideration, commercial operations and tourism, was identified for the following six sites:

- Cascade Falls;
- Lapinagam Rapids;
- McPherson Falls;
- Middle Twp. Buchan;
- Near North Boundary; and
- Wabageshik Rapids.

The term “commercial operations and tourism” is unclear, and should be clarified. It should include forestry operations, and mineral exploration and development in addition to tourism. Off mine-site exploration and deposit appraisal expenditures in Ontario are expected to be close to \$500 million in 2010; the possibility that exploration might be occurring on or around the proposed development sites must be considered.

5. For the sites under consideration as potential dams, it is normal practise for the Ministry of Natural Resources to ask the Ministry of Northern Development, Mines and Forestry to withdraw either the surface rights, or both the surface and mining rights from staking. When a request for a withdrawal is received, the Resident Geologist Program normally carries out a mineral resource assessment as part of its review.

Given the early stage of the current proposals, full mineral resource assessments were not done, but the GIS-based “Metallic Mineral Potential Estimation Tool” was used to estimate the mineral potential of the dam sites. Scores of 65 or higher are normally considered to have provincial significance. Eight of the 18 sites under consideration have scores higher than 65. A more detailed assessment may result in different scores for some of the sites (e.g., lower scores for the sites scoring 100).

Site	Score/100	Ore Deposit Model
Allen & Struthers	62	Paleoplacer Uranium Deposits
Big Eddy	41	Diamond-Bearing Rocks / Carbonatite – Alkalic Intrusive Complex
Cascade Falls	100	Sudbury Igneous Complex Hosted Cu-Ni-PGE
Four Slide Falls	67	Lode Gold
Half Mile	41	Diamond-Bearing Rocks / Carbonatite – Alkalic Intrusive Complex
Lapinigam Rapids	41	Diamond-Bearing Rocks / Carbonatite – Alkalic Intrusive Complex
Larder and Raven	81	Diamond-Bearing Rocks
Marter Township	96	Lode Gold
McCarthy Chute	19	Lode Gold
McPherson Falls	100	Sudbury Igneous Complex Hosted Cu-Ni-PGE
Middle Twp. Buchan	41	Diamond-Bearing Rocks / Carbonatite – Alkalic Intrusive Complex
Near North Boundary	41	Diamond-Bearing Rocks / Carbonatite – Alkalic Intrusive Complex
Outlet Kapuskasing Lake	41	Diamond-Bearing Rocks / Carbonatite – Alkalic Intrusive Complex
Soo Crossing	100	Sudbury Igneous Complex Hosted Cu-Ni-PGE

The Chute	41	Diamond-Bearing Rocks / Carbonatite – Alkalic Intrusive Complex
Third Falls	93	Volcanic-Hosted Massive Sulphides
Wabageshik Rapids	62	Paleoplacer Uranium Deposits
Wanatango Falls	93	Volcanic-Hosted Massive Sulphides

The Provincial Policy Statement, issued under the *Planning Act*, provides that development and activities that would preclude or hinder the establishment of new operations or access to the resources in areas of provincially significant mineral potential shall only be permitted if:

- resource use would not be feasible; or
- the proposed land use or development serves a greater long-term public interest; and
- issues of public health, public safety and environmental impact are addressed.

The Ministry of Northern Development, Mines and Forestry considers the direction provided by the Provincial Policy Statement when assessing whether or not to approve applications for withdrawal orders.

**Ministry of
Northern Development, Mines
and Forestry**

Mineral Development and Lands Branch

933 Ramsey Lake Road, B6
Sudbury ON P3E 6B5
Tel.: (705) 670-5918
Fax: (705) 670-5803
Toll Free: 1-888-415-9845, Ext 5918

**Ministère du
Développement du Nord,
des Mines et des Forêts**

Direction de l'exploitation des minéraux et de
la gestion des terrains miniers

933, chemin du lac Ramsey, étage B6
Sudbury ON P3E 6B5
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January 6, 2011

Mr. Patrick Gillette
President
Xeneca Power Development Inc.
520 – 5160 Yonge St
Toronto ON M2N 6L9

Re: Proposed Half Mile Rapids and Big Eddy GS Projects

Thank you for the opportunity to review and comment on the proposed Half Mile Rapids and Big Eddy GS projects.

The Ministry of Northern Development, Mines and Forestry's (MNDMF) interest in this project stems from our mandate: to make Northern Ontario strong, healthy and prosperous by providing northerners with access to government programs and services; and by working across the Province to generate new wealth and benefits by supporting Ontario's forest industry and mineral exploration, mining and geosciences sectors. Specific details on the responsibilities of MNDMF can be found on the Ministry's website at <http://www.mndmf.gov.on.ca/>.

MNDMF has several divisions. I am including the responses of the Mines and Minerals Division and the Forestry Division. The Northern Development Division had no comments to make at this time.

FORESTRY DIVISION

General:

The Big Eddy site is within the Area of Undertaking; the Half Mile development is on federal lands.

The proponent should consult with all affected Sustainable Forest Licence (SFL) holders early in the process.

Any undertaking that requires withdrawal of lands is subject to an SFL amendment process. That process can take 6 to 12 months depending upon the SFL holder's response to the proposed withdrawal.

Access Roads:

If an access road must be constructed by the proponent, land may need to be withdrawn from the SFL. Currently, there is no land to replace withdrawn lands;

therefore, compensation should be provided to the SFL holder. The access road could remain as part of the SFL, particularly if it provides access to future timber allocations. The proponent may want to discuss access with the SFL holder before any final decisions are made. Compensation is not required to be provided to the SFL holder in this case, but may be an option.

If an access road is constructed through an area that has been improved (e.g., site preparation, tree planting, seeding, tending operations, etc. have been undertaken), there are provisions for the proponent to provide compensation to the Forest Renewal Trust.

If the proponent wishes to use existing forest access roads, a use management strategy should be confirmed through a separate planning process (i.e., it should not be the responsibility of the SFL holder). The proponent may also want to negotiate an agreement with the SFL holder to contribute to road maintenance costs.

Inundation of Crown Land:

Inundation may result in areas of timber for harvest or areas of improvement to be withdrawn from the SFL. The SFL holder may seek compensation for the withdrawal of these lands.

Overlapping licences

The proponent may wish to negotiate an overlapping licence agreement with an SFL holder for lands where timber must be harvested to develop a water power site.

MINES AND MINERALS DIVISION / MINE HAZARDS

There are no mine hazards in the vicinity of project sites.

MINES AND MINERALS DIVISION / MINING LANDS

There are no mining claims or withdrawals in place for these sites.

MINES AND MINERALS DIVISION / RESIDENT GEOLOGIST PROGRAM

The Resident Geologist Program (RGP) of the Ontario Geologist Survey has done the following with regard to the above federal Environmental Assessment Study:

1. Checked the Ministry's Mineral Deposit Inventory (MDI) for mineral occurrences. No known mineral occurrences within the proposed study areas.
2. Checked the Ministry's Assessment File Report Inventory (AFRI) database to determine whether past mineral exploration activity has been reported for the area. There are no Assessment File Reports.
3. Used the GIS-based "Metallic Mineral Potential Estimation Tool" to get an estimation of the mineral potential of the proposed study area. Moderate metallic mineral potential is estimated for the project areas (maximum value 40.5).
4. Checked Bedrock Geology of Ontario (Miscellaneous Release – Data 126) and Surficial Geology of Southern Ontario (Miscellaneous Release – Data 128) for natural hazards, for example, karst topography, Leda clays: there are no known

occurrences.

Published reports and Mineral Deposit Inventory and Abandoned Mines records are available for viewing or free download through the Geology Ontario portal using the following link: <http://www.geologyontario.mndmf.gov.on.ca/>.

Thank you once again for the opportunity to comment. If you have any questions about MNDMF's response, please feel free to contact me.

Sincerely,



Jenn Lillie-Paetz
Environmental Assessment Coordinator
Mineral Development and Lands Branch
Mines and Minerals Division

- c. Doreen McGowan, A/Divisional Policy Advisor, Forestry Division
- Scott Cousineau, Senior Land Technician, Mines and Minerals Division
- Marc Stewart, A/Mine Hazards Technical Specialist, Mines and Minerals Division
- Debbie Laidlaw, Regional Land Use Geologist - Southern Ontario, Mines and Minerals Division



5160 Yonge St., Suite 520, Toronto, ON M2N 6L9
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January 25, 2010

Hon. Brad Duguid
Ministry of Energy and Infrastructure
900 Bay Street, 4th Floor
Hearst Block
Toronto, ON M7A 2E1

Dear Minister:

On behalf of President/COO, Patrick Gillette and the Xeneca Power Development team, please accept our warmest congratulations on your appointment as Minister of Energy and Infrastructure.

Your experience and skills developed as a Minister of Aboriginal Affairs and as a Parliamentary Assistant will no doubt be put to good use as you take charge of a Ministry that is implementing significant and bold policy changes under the Province's Green Energy and Green Economy Act.

Further, as a former member of Scarborough and Toronto City Councils, we are certain you share with mayors and councils across Ontario an understanding that balancing resource development and conservation of our heritage and natural resources is extremely important from both local and provincial perspectives.

By way of introduction, our Ontario-based company is actively developing more than 130 MW of green, renewable electricity on sites across the Province. As developers of renewable energy, specifically waterpower, we believe strongly in achieving that important balance between social, economic and environmental needs. Adhering to Ministry policy, and actively involved in development of new policy related to renewable energy development and site release, we expect to be actively engaged with your office in the coming weeks and months.

As such, we request a meeting with you and your staff in order that we may properly introduce ourselves and begin the relationship building that will assist our respective offices in working toward our mutual goals and objectives.

I can be reached at any of the contact numbers listed above and we look forward to speaking with you in the near future.

Very best regards,

A handwritten signature in black ink, appearing to read "Mark Holmes", is written over a light blue horizontal line.

Mark Holmes
Vice President, Corporate Affairs

October 8, 2009

Minister Donna Cansfield (and staff)
Room 6630, Whitney Block
99 Wellesley Street West
Toronto, Ontario
M7A 1W3

Dear Minister:

Far too often the effort that goes into the process of making the right public policy decisions is overlooked as stakeholders shift from lobbying government back to the day to day pursuit of business interests.

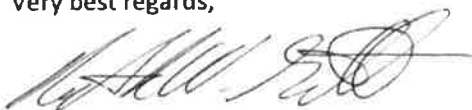
However, in the case of the your recent efforts on behalf of renewable energy developers, we want to break out of that mold and take the time to write a very sincere thank you for taking what we can only describe as bold and decisive steps that will simultaneously assist in moving our renewable energy projects forward and achieve government objectives under the Green Energy Act.

Xeneca Power Development is in receipt of **"Waterpower on Crown Land"** letters under your signature. As waterpower developers and members of the Ontario Waterpower Association (OWA), we recognized those letters offer us the opportunity that might not otherwise be available to vigorously pursue Feed-in Tariff (FIT) Launch Program contracts with the Ontario Power Authority (OPA).

Through this letter to you we wish to acknowledge the consensus building that such letters and direction would have had to involve as well as the careful consideration by your ministry as well as the Ministries of Environment, Energy and Infrastructure and the Ontario Power Authority.

Again, Minister, our thanks for your efforts which we firmly believe will genuinely assist in expanding Ontario's supply of green, renewable, affordable electricity.

Very best regards,



Patrick W. Gillette, BA, MES, MPA
President/COO
Xeneca Power Development

cc: Office of the Premier of Ontario
Gord Miller, Environmental Commissioner of Ontario
Jennifer Keyes, MNR Renewable Energy Coordinator

**Ministry of Energy
and Infrastructure**

Office of the Minister

4th Floor, Hearst Block
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**Ministère de l'Énergie
et de l'Infrastructure**

Bureau du ministre

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Feb. 4, 2010

Thank you for applying to Ontario's Feed-in Tariff (FIT) program.

The Green Energy Act provides the framework to stimulate a new, green economy and create a new generation of green jobs, while protecting our environment. At the heart of the Green Energy Act is the Feed-in Tariff program.

The Ontario Power Authority (OPA) has had tremendous response to its call for applications to the FIT program, and I am excited by this potential for expanding renewable energy in our province. The OPA is now reviewing more than 1,000 proposals with about 8,000 megawatts of potential electricity generating capacity. While this represents a significant commitment to renewable energy in the long term, it is estimated that there is approximately 2,500 megawatts of available transmission connection capacity at this time.

In anticipation of a positive response to the FIT program, in September 2009 the government instructed Hydro One to begin the necessary work to update its transmission and distribution systems. This transmission upgrade is in addition to the Bruce to Milton line now underway, which expands the grid to accommodate approximately 1500 MW of additional renewable energy generation. This expansion is part of the FIT program's long-term success. The upgrades, starting with an expected investment of \$2.3 billion over the next three years, work hand-in-hand with the FIT program design, which allows groups of generators to indicate their interest in a certain part of the province. If the transmission capacity is not available and a project meets certain technical and economic criteria, the system will be expanded to connect them.

The province's landmark agreement with the Korean Consortium builds on this, as other generators can benefit from the Consortium's projects that are sited in their future development area and bring enough demand to support the need for transmission development. As well, this agreement and the associated projects will stimulate the wind and solar PV supply chain of Ontario manufactured equipment. This \$7 billion investment will help achieve our goal of making Ontario a global place of destination for green energy development, expertise and manufacturing. This could open up the door to export opportunities for investors and developers active in building Ontario's green economy.

The OPA will soon start offering FIT contracts beginning with Capacity Allocation Exempt projects (500 kilowatts or less), and shortly thereafter offer FIT contracts to proponents. I am delighted with the response to the FIT program and look forward to the new manufacturing and electricity generation it will bring, both in the immediate and longer terms.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Duguid', written over a white background.

Brad Duguid
Minister



June 22, 2010

Ministry of Energy & Infrastructure
900 Bay Street, 4th Floor
Hearst Block
Toronto ON M7A 2E1

To whom it may concern,

As you may be aware, Xeneca Power Development Inc. has been awarded 19 Feed in Tariff contracts by the Ontario Power Authority ("OPA") to purchase water generated renewable power. Listed below are the sites within the Province of Ontario:

Allen & Struthers – MNR site # 2DB13, 2DB14 on the Wanapitei River
Cascade Falls – MNR site # 2CF09 on the Vermillion River
At Soo Crossing – MNR site # 2CF11 on the Vermillion River
Wabageshik – MNR site # 2CF12 on the Vermillion River
McPherson Falls – MNR site # 2CF46, 2CF47 on the Vermillion River
Four Slide Falls – MNR site # 2CD14 on the Serpent River
McCarthy Chute – MNR site # 2CD15 on the Serpent River
Near North Boundary – MNR site # 4LF09 on the Kapuskasing River
Middle Twp. Buchan – MNR site # 4LF05 on the Kapuskasing River
Lapinagam Rapids – MNR site # 4LE03 on the Kapuskasing River
Outlet Kapuskasing Lake – MNR site # 4LE01 on the Kapuskasing River
Ivanhoe: Third Falls – MNR site # 4LC17 on the Ivanhoe River
Ivanhoe: The Chute – MNR site # 4LC18 on the Ivanhoe River
Wanatango Falls – MNR site # 4MD02 on the Frederick House River
Larder & Raven – MNR site # 2JC21, 2JC22 on the Larder River
Marter Twp. – MNR site # 2JC16, 2JC17 on the Blanche River
Big Eddy – MNR site # 2KB21 on the Petawawa River
Half Mile Rapids (at CFB Petawawa) on the Petawawa River

An attached map provided on CD will help to further identify the site locations for each of the projects. Additionally, included in this package is a draft of the Notice of Commencement under the Class EA for Waterpower Projects which will be issued shortly, as well as descriptions of the projects listed above.

This letter is intended to notify your agency of the pending projects and invite agency comment and/or participation where applicable.



Upon review, you may be aware the OPA schedule will prove challenging to both Xeneca and the affected government agencies, as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we are requesting the following:

- Ministry of Energy & Infrastructure's ("MEI") acknowledgement of receipt of this notice.
- Indication if MEI intends to comment on some, or all of the projects. If MEI intends to participate, please indicate the appropriate agency personnel who will handle the Xeneca project files.
- A MEI list of any known issues, concerns and/or comments with respect to the projects, as well as any known non-government stakeholders whom may have interest in these projects.

Please note Xeneca is prepared to meet with MEI by teleconference to discuss any issues, and requests to be advised of any permits MEI may require from Xeneca and/or its consultants in order to complete MEI policy and procedures.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick Gillette", is written over a horizontal line.

Patrick Gillette
President and COO
Xeneca Power Development LP



June 10, 2010

Ministry of Aboriginal Affairs
160 Bloor St E, 9th Floor
Toronto, ON M7A 2E6

To whom it may concern,

By way of introduction, Xeneca Power Development Inc. is a developer of renewable energy (waterpower) and has recently been awarded 19 Feed in Tariff (FIT) contracts by the Ontario Power Authority ("OPA"). In addition, Xeneca has a further 14 FIT projects undergoing the Economic Connection Test (ECT) process.

Included in the package is a CD that contains a map with the names and geographic locations of our waterpower projects that have been awarded FIT contracts. This map will provide greater clarity as to the location of the projects. Listed below are the FIT contract sites in the Province of Ontario:

Allen & Struthers – MNR site # 2DB13, 2DB14 on the Wanapitei River
Cascade Falls – MNR site # 2CF09 on the Vermillion River
At Soo Crossing – MNR site # 2CF11 on the Vermillion River
Wabageshik – MNR site # 2CF12 on the Vermillion River
McPherson Falls – MNR site # 2CF46, 2CF47 on the Vermillion River
Four Slide Falls – MNR site # 2CD14 on the Serpent River
McCarthy Chute – MNR site # 2CD15 on the Serpent River
Near North Boundary – MNR site #4LF09 on the Kapuskasing River
Middle Twp. Buchan – MNR site # 4LF05 on the Kapuskasing River
Lapinigam Rapids – MNR site #4LE03 on the Kapuskasing River
Outlet Kapuskasing Lake – MNR site #4LE01 on the Kapuskasing River
Ivanhoe: Third Falls – MNR site # 4LC17 on the Ivanhoe River
Ivanhoe: The Chute – MNR site # 4LC18 on the Ivanhoe River
Wanatango Falls – MNR site # 4MD02 on the Frederick House River
Larder & Raven – MNR site # 2JC21, 2JC22 on the Larder River
Marter Twp. – MNR site #2JC16, 2JC17 on the Blanche River
Big Eddy – MNR site # 2KB21 on the Petawawa River
Half Mile Rapids (at CFB Petawawa) on the Petawawa River

In view of growing interest in our projects and in preparation for the ***Class Environmental Assessment for Waterpower*** we are requesting a list of Communities. These communities are those whom the Crown identifies as requiring consultation support from our organization and where the Proponent may be required to assist in accommodating these communities that may be impacted by one or more of our developments.

In appropriate cases Xeneca may pursue independent discussions with the Aboriginal or Métis Communities who may be interested in forming business-to-business relationships.

Please contact Xeneca Vice President of Corporate Affairs, Mark Holmes at 416-590-9362 X 102 for any further information that you may require.

Yours truly,

A handwritten signature in black ink, appearing to read 'Patrick W. Gillette', written over a horizontal line.

Patrick W. Gillette
President and COO
Xeneca Power Development

cc. Steven Hobbs, Policy Advisor to Minister Strahl
Deborah Richardson, Assistant Deputy Minister, MAA

Ministry of Aboriginal Affairs

160 Bloor St. East, 9th Floor
Toronto, ON M7A 2E6
Tel: (416) 326-4740
Fax: (416) 325-1066
www.aboriginalaffairs.gov.on.ca

Ministère des Affaires Autochtones

160, rue Bloor Est, 9^e étage
Toronto ON M7A 2E6
Tél. : (416) 326-4740
Télééc. : (416) 325-1066
www.aboriginalaffairs.gov.on.ca



AUG 10 2011

Reference :253

Vanesa Enskaitis
Public Affairs Liaison
Xeneca Power Development Inc.
5160 Yonge St., Suite 520
Toronto, ON
M2N 6L9

Re: Notice of Public Information Centre for the Proposed Big Eddy & Half Mile Waterpower Developments on the Petawawa River

Dear Ms. Enskaitis:

Thank you for your inquiry regarding the above-noted project.

As a member of the government review team, the Ministry of Aboriginal Affairs (MAA) identifies First Nation and Métis communities who may have the following interests in the area of your project:

- reserves;
- land claims or claims in litigation against Ontario;
- existing or asserted Aboriginal or treaty rights, such as harvesting rights; or
- an interest in your project's potential environmental impacts.

MAA is not the approval or regulatory authority for your project, and receives very limited information about projects in the early stages of their development. In circumstances where a Crown-approved project may negatively impact a claimed Aboriginal or treaty right, the Crown may have a duty to consult the Aboriginal community advancing the claim. The Crown often delegates procedural aspects of its duty to consult to proponents. Please note that the information in this letter should not be relied on as advice about whether the Crown owes a duty to consult in respect of your project, or what consultation may be appropriate. Should you have any questions about your consultation obligations, please contact the appropriate ministry.

You should be aware that many First Nations and Métis communities either have or assert rights to hunt and fish in their traditional territories. For First Nations, these territories typically include lands and waters outside of their reserves.

In some instances, project work may impact aboriginal archaeological resources. If any Aboriginal archaeological resources could be impacted by your project, you

should contact your regulating or approving Ministry to inquire about whether any additional Aboriginal communities should be contacted. Aboriginal communities with an interest in archaeological resources may include communities who are not presently located in the vicinity of the proposed project.

With respect to your project, and based on the brief materials you have provided, we can advise that the project appears to be located in an area where First Nations may have existing or asserted rights or claims in MAA's land claims process or litigation, that could be impacted by your project. Contact information is below:

Algonquins Consultation Office 31 Riverside Drive Suite 101 Pembroke, ON K8A 8R6	Mr. Jim Hunton (613) 735-3759 (Fax) 735-6307
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For your information, MAA notes that the following Métis community may be interested in your project given the proximity of their community to the area of the proposed project or because of your project's potential environmental impacts:

Ottawa Region Métis Council 41 Tulane Cr. Ottawa, ON K2J 2G2	Daniel Gilbeau, President (613) 825-3776 e-mail: daniel.gilbeau@ic.gc.ca website: www.ottawaMétis.ca
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Please copy any correspondence to Ottawa Region Métis Council to the Métis Nation of Ontario. Contact information is below:

Métis Nation of Ontario Head Office 500 Old St. Patrick Street, Unit D Ottawa, Ontario, K1N 9G4	Métis Consultation Unit Fax: (613) 725-4225
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The Government of Canada sometimes receives claims that Ontario does not receive, or with which Ontario does not become involved. For information about possible claims in the area, MAA recommends you contact the following federal contacts:

Ms. Janet Townson Claims Analyst, Ontario Team Specific Claims Branch Indian and Northern Affairs Canada 1310-10 Wellington St. Gatineau, QC K1A 0H4 Tel: (819) 953-4667 Fax: (819) 997-9873	Mr. Sean Darcy Manager Assessment and Historical Research Indian and Northern Affairs Canada 10 Wellington St. Gatineau, QC K1A 0H4 Tel: (819) 997-8155 Fax: (819) 997-1366
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For federal information on litigation contact:

Mr. Marc-André Millaire
Litigation Team Leader for Ontario
Litigation Management and Resolutions Branch
Indian and Northern Affairs Canada
10 Wellington St.
Gatineau, QC K1A 0H4
Tel: (819) 994-1947
Fax: (819) 953-1139

Additional details about your project or changes to it that suggest impacts beyond what you have provided to date may necessitate further consideration of which Aboriginal communities may be affected by or interested in your undertaking. If you think that further consideration may be required, please bring your inquiry to whatever government body oversees the regulatory process for your project.

The information upon which the above comments are based is subject to change. First Nation or Métis communities can make claims at any time, and other developments can occur that could result in additional communities being affected by or interested in your undertaking.

Yours truly,



Heather Levecque
Manager, Consultation Unit
Aboriginal Relations and Ministry Partnerships Division

June 10, 2010

Ministry of Attorney General
McMurtry-Scott Building
720 Bay Street, 11th Floor
Toronto, ON M7A 2S9

To whom it may concern,

As you may be aware, Xeneca Power Development Inc. has been awarded 19 Feed in Tariff contracts by the Ontario Power Authority ("OPA") to purchase water generated renewable power. Listed below are the sites within the Province of Ontario:

Allen & Struthers – MNR site # 2DB13, 2DB14 on the Wanapitei River
Cascade Falls – MNR site # 2CF09 on the Vermillion River
At Soo Crossing – MNR site # 2CF11 on the Vermillion River
Wabageshik – MNR site # 2CF12 on the Vermillion River
McPherson Falls – MNR site # 2CF46, 2CF47 on the Vermillion River
Four Slide Falls – MNR site # 2CD14 on the Serpent River
McCarthy Chute – MNR site # 2CD15 on the Serpent River
Near North Boundary – MNR site # 4LF09 on the Kapuskasing River
Middle Twp. Buchan – MNR site # 4LF05 on the Kapuskasing River
Lapinigam Rapids – MNR site # 4LE03 on the Kapuskasing River
Outlet Kapuskasing Lake – MNR site # 4LE01 on the Kapuskasing River
Ivanhoe: Third Falls – MNR site # 4LC17 on the Ivanhoe River
Ivanhoe: The Chute – MNR site # 4LC18 on the Ivanhoe River
Wanatango Falls – MNR site # 4MD02 on the Frederick House River
Larder & Raven – MNR site # 2JC21, 2JC22 on the Larder River
Marter Twp. – MNR site # 2JC16, 2JC17 on the Blanche River
Big Eddy – MNR site # 2KB21 on the Petawawa River
Half Mile Rapids (at CFB Petawawa) on the Petawawa River

An attached map provided on CD will help to further identify the site locations for each of the projects. Additionally, included in this package is a draft of the Notice of Commencement under the Class EA for Waterpower Projects which will be issued shortly, as well as descriptions of the projects listed above.

This letter is intended to notify your agency of the pending projects and invite agency comment and/or participation where applicable.



Upon review, you may be aware the OPA schedule will prove challenging to both Xeneca and the affected government agencies, as we now have less than 60 months to bring these waterpower projects to commercial operation. This concurs with an analysis of the process by the Ontario Waterpower Association, industry experts and our consultants.

To move forward in a timely manner, we are requesting the following:

- Ministry of Attorney General's acknowledgement of receipt of this notice.
- Indication if the Ministry of Attorney General intends to comment on some, or all of the projects. If the Ministry of Attorney General intends to participate, please indicate the appropriate agency personnel who will handle the Xeneca project files.
- A Ministry of Attorney General list of any known issues, concerns and/or comments with respect to the projects, as well as any known non-government stakeholders whom may have interest in these projects.

Please note Xeneca is prepared to meet with the Ministry of Attorney General by teleconference to discuss any issues, and requests to be advised of any permits the Ministry of Attorney General may require from Xeneca and/or its consultants in order to complete the Ministry of Attorney General policy and procedures.

Please contact Xeneca Power Development Inc. with any questions or concerns.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick Gillette", is written over a light blue horizontal line.

Patrick Gillette
President and COO
Xeneca Power Development LP

June 22, 2010

Hon. John Yakabuski
MPP Renfrew, Nipissing, Pembroke
84 Isabella Street
Pembroke, ON
K8A 5S5

Dear John:

As you are aware, Xeneca Power Development is one of Ontario's largest developers of renewable energy (waterpower). We are committed to environmentally sound planning, a thorough consultative process, and practicing good corporate social responsibility.

Under the Feed-In Tariff (FIT) Contracts issued by the Ontario Power Authority (OPA), Xeneca is currently developing 19 waterpower facilities across the Province of Ontario, including two sites in the Riding of Refrew, Nipissing, Pembroke:

- Big Eddy on the Petawawa River
- Half Mile Rapids on the Petawawa River

We wish to inform you of our intent to issue a Notice of Commencement for a Waterpower Class Environmental Assessment in 2010. Through the Class EA, comprehensive environmental and archeological studies will be conducted. Additionally, broad stakeholder and First Nations consultation will occur, including discussions with the Town of Petawawa. Concurrently, Xeneca will work to complete all necessary tasks requested by the Crown, which include First Nations business relationship discussions.

Respectfully, we request input from your office in regard to any individual stakeholder or public interest groups for whom our projects would be of interest, as well as any relevant contact information.

The economic impact of these projects is one that will benefit your riding. Through the Green Energy Act, passed by the Ontario government in 2009, the Province is now procuring renewably produced electricity (wind, solar, water and biomass) to replace all coal-fired generation which is scheduled to close by 2014. Waterpower provides the least expensive and most reliable power.

In the case of waterpower, the cost to build is about \$5 million per MW. Approximately half of that money is spent locally or regionally to acquire everything from trucking to concrete, as well as aggregate purchases, legal and surveying services, equipment rentals, labour, accommodations, restaurant services and more.

Over a 40 year period, waterpower pays on average \$5 million per MW in taxes, fees and royalties. Much of this money is returned to the communities where these waterpower plants are operating.

Should you require further information, please note that Xeneca has begun the process of posting the information concerning these projects. We invite you to visit our website at www.xeneca.com to provide comments or express any concerns. The website will be updated as information on each of the sites becomes available. For additional information, you may also contact Vanesa Enskaitis, Public Affairs Liaison and at venskaitis@xeneca.com.

Best regards,

Mark Holmes



Mark Holmes
Vice President
Corporate Affairs
Xeneca Power Development

5160 Yonge St.
North York, ON
M2N 6L9

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

mholmes@xeneca.com



October 13, 2010

Hon. John Yakabuski
MPP Renfrew, Nipissing, Pembroke
84 Isabella Street
Pembroke, ON K8A 5S5

Dear Hon. Yakabuski:

RE: Invitation to Attend Public Information Centres.

As promised in previous correspondence to your office, Xeneca Power Development is writing to advise that Public Information Centres (PICs) are being set up in your area with respect to the following proposed waterpower developments:

- Big Eddy project on the Petawawa River

As you may be aware, Xeneca Power Development has issued a Notice of Commencement for the Class Environmental Assessment for Waterpower Projects (Class EA) for the above noted projects. Public Information meetings are an important part of that process.

Xeneca Power Development Inc invites you to attend our Public Information Centres where you will have the opportunity to learn more about the projects and provide your input to our project team. Please join us on the following dates:

Petawawa River Project:

Tuesday, November 16th, 2010
Time: 4:00 to 8:00 pm
Quality Inn & Suites
3119 –B Petawawa Boulevard, Petawawa

Your participation in the PICs is greatly valued as is the engagement in archeological, environmental and social-economic aspects of the projects. Communities with an interest in our projects need information so that well informed decisions can be made. We also believe that a broader knowledge base is extremely important to ensure that any future development is conducted in a way to provide an appropriate balance between environmental, social and economic needs.

Overall, the Class EA is administered by the Ministry of the Environment and is a separate process from Site Release which is administrated by the Ministry of Natural Resources. No permits, approvals or tenure are issued through the Class EA as it is designed to provide information on the potential impacts and viability of each of the projects. The Class EA also allows for comment and dialogue between Xeneca Power Development and Communities, local First Nations, Federal and Provincial governments, as well as any additional stakeholders.

Xeneca Power Development will be posting information regarding our projects, access to information and government programs on its website at www.xeneca.com.

Xeneca Power Development endeavors to proceed in an open, transparent and respectful manner. Our approach includes meaningful, upfront consultation and community participation throughout the development process. If you or your staff wish to be briefed of our projects in advance of the Public Information Centre we would be pleased to arrange a meeting the evening prior to, or morning of, the scheduled PIC. Briefings can also be conducted further in advance via teleconference.

If there are questions or comments regarding the Public Information session the undersigned or Vanesa Enskaitis can be contacted at any of the numbers listed on our letterhead.

Best regards,

A handwritten signature in black ink, appearing to read 'Mark Holmes', with a stylized flourish at the end.

Mark Holmes
Vice President, Corporate Affairs

October 25, 2010

Hon. John Yakabuski
MPP Renfrew, Nipissing, Pembroke
84 Isabella Street
Pembroke, ON K8A 5S5

Dear Hon. Yakabuski:

You will have recently received an October 13th notice and invitation to attend a Public Information Centre (PIC) regarding our proposed waterpower development:

- Big Eddy project on the Petawawa River

Please be advised that Xeneca Power Development will be rescheduling the Public Information Centre to which you have been invited. We fully expect to confirm new dates for January or early February and will provide advance notice. The change in meeting date will provide the necessary time to address government agency comments and further develop information related to our projects.

In the meantime, we continue to seek your input on the projects, and we invite you to visit our website at www.Xeneca.com for project information, updates and notices.

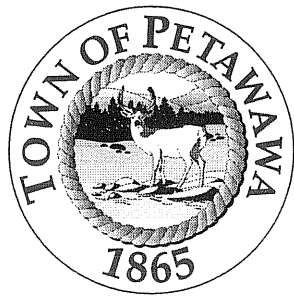
If you have questions please contact the undersigned, or Vanesa Enskaitis at any of the numbers provided in our letterhead.

We look forward to meeting you and the members of your constituency in the coming weeks.

Best regards,

A handwritten signature in black ink, appearing to read "Mark Holmes", written in a cursive style.

Mark Holmes
Vice President, Corporate Affairs
Xeneca Power Development Inc.



TOWN OF PETAWAWA

1111 Victoria Street, Petawawa, Ontario K8H 2E6 • Telephone: (613) 687-5536 / Fax: (613) 687-5973
www.petawawa.ca

March 6, 2007

Patrick W. Gillette
President
Petawawa Green Electricity Development
c/o Ortech Power
2395 Speakman Drive
Mississauga, Ontario
L5K 1B3

Dear Mr. Gillette:

RE: Letter of support for waterpower development along the Petawawa River.

This letter is to confirm that by resolution of Council, the Town of Petawawa supports the waterpower development in principle, provided that the required public consultation is carried out and that the project does not adversely affect the recreational uses in Petawawa.

The Town is prepared to collaborate with and assist Petawawa Green Electricity Development on the following matters:

- Determining the appropriate municipal tax or payment-in-lieu of tax for the proposed development.
- Negotiating the use, lease or purchase of any Town land to be affected by the project (i.e. south shoreline).
- Identifying groups and individuals interested in the current recreational uses of the river and discussions on optimizing water flows.

We look forward to further discussions on the proposed project.

Sincerely,

Mitchell Stillman, B.Sc. (Hons), C.M.O.
Chief Administrative Officer/Clerk

March 16, 2007

Mayor Bob Sweet
Town of Petawawa
1111 Victoria Street
Petawawa, Ontario
K8H 2E6

Dear Mayor Sweet:

RE: Submission to Department of National Defense and CFB Petawawa for waterpower development on the Petawawa River.

First and foremost, I want to extend my thanks to Council and you for the *Letter of Support*, and the resolution of Council from the Town of Petawawa supporting waterpower development on the Petawawa River.

Enclosed is Petawawa Green Electricity Development Inc.'s ("PGE") submission to the Department of National Defense, and Canadian Forces Base ("CFB") Petawawa. As hoped for, CFB Petawawa will be in charge of this process, with the Base Commander and Wayne Quade being the designated contacts.

At the earliest opportunity, I would like to meet with the Town of Petawawa staff to discuss the next steps.

Thank you for your kind consideration and please do not hesitate to contact me with any questions or concerns at 416-697-4004.

Yours very truly,



Patrick W. Gillette
President

cc: **1. Mitchell W. Stillman, Chief Administrative Officer, Town Clerk, Town of Petawawa**
2. Cyndy Phillips, Economic Development Co-ordinator, Town of Petawawa
3. Uwe Roeper, Ortech

Enclosures

July 6, 2010

Mayor Bob Sweet
Town of Petawawa
1111 Victoria Street
Petawawa, ON K8H 2E6

Dear Mayor Sweet,

Thank you for your June 18 letter, bringing your concerns to our attention and for your recommendations. Please be assured that all of those concerns will be addressed in the Waterpower Class Environmental Assessment which will commence in the near future.

You have also noted that the Town is receiving an ever increasing amount of correspondence regarding our Big Eddy GS project. Xeneca is also in receipt of approximately ten (10) form letters that were copied to the Town since May 2010. If there is additional correspondence of which we are not aware, it would be helpful to have this material forwarded to either our office or directly to the Petawawa Stakeholder Advisory Committee.

As it has been tasked, the Committee would take the letters of concern from the various stakeholders, in order to assist Xeneca in responding to the issues that have been raised. The Committee may also be able to recommend options that could provide a net benefit to the groups using the river.

With respect to your recommendations, be assured that, as noted above, they will be considered during the Class EA and throughout the planning process. At this juncture we offer the following:

1. Create no river hazards. Not only is Xeneca committed to ensuring safety with respect to its facilities, but we are bound by Provincial statute (Dam safety regulations) to minimize any potential hazards. It may be noteworthy that, through design, river safety in the vicinity of the Big Eddy project could be increased.
2. Do not hinder or stop daytime running. There is a great deal of misinformation regarding this aspect of development. Xeneca is committed to ensuring that at no time will the Petawawa River ever be "dry" as a result of our operations. Through the Ministry of Natural Resources, a minimum flow will be required in the affected reach of the river at all times. Will water levels fluctuate to some degree? Yes, but it must be recognized that water levels fluctuate naturally and very dramatically.
3. Offset water diverted through the penstock and if possible, provide a net increase of water during daylight hours. This recommendation will be addressed through dam operating planning and will be shaped by input to the Waterpower Class EA as well as stakeholder input and

government agency policy and regulation. As such, Xeneca will specifically address this recommendation along with others submitted by the Town during the Waterpower Class EA.

4. Do not adversely affect water flow at the catwalk. Given that water is merely being diverted from a relatively small reach of river (approx 300 metres) and the water is returned to the river well upstream of the catwalk, it can be stated that any impact will be negligible. In all likelihood, steps may be taken that will improve the swimming area (i.e. work with the Town to increase flow for short periods) and, again, your recommendation(s) will be included in the Class EA and in developing dam operating plans. Xeneca would be pleased to discuss those options with the Town, and, through consultation, work to find solutions that achieve respective goals and objectives.

We fully agree that the Petawawa River is a very significant asset to the Town of Petawawa, and it is Xeneca's stated intention to increase the river's value to the community and region at large.

To summarize, Xeneca very much wants the doors of communication with the Town to be open and mutually productive.

We recognize that a small but very vocal group opposed to development is spreading misinformation that, quite frankly, does not serve the people of Petawawa in any way. However, as accurate information is collected through the Waterpower Class EA, it will be made readily available to the Town and public at large. We firmly believe that opinion should be formed and decisions made by well informed individuals and groups who have access to good research, solid science and sound rationale.

We continue to look forward to working with you, your council and the people of Petawawa.

Very best regards,

A handwritten signature in blue ink, appearing to read "Mark Holmes", with a stylized flourish underneath.

Mark Holmes
Vice President, Corporate Affairs
Xeneca Power Development

5160 Yonge St., Suite 520
North York, ON M2N 6L9
416-590-9362
mholmes@xeneca.com

CC – Paul Moreau, Pembroke MNR District Manager

June 16, 2010

Mayor Bob Sweet
111 Victoria St.
Petawawa, ON K8H 2E6

Dear ~~Mayor Sweet~~,

Bob

Xeneca Power Development is one of Ontario's largest developers of renewable energy (waterpower). We are committed to environmentally sound planning, a thorough consultative process, and practicing good corporate social responsibility.

Under the Feed-In Tariff (FIT) Contracts issued by the Ontario Power Authority (OPA), Xeneca is currently developing 19 waterpower facilities across the Province of Ontario, including two sites in close proximity to the Town of Petawawa:

- Big Eddy
- Half-Mile Rapids

We wish to inform you of our intent to issue a Notice of Commencement for a Waterpower Class Environmental Assessment in 2010. Through the Class EA, comprehensive environmental and archeological studies will be conducted and broad stakeholder and First Nations consultation will occur, including discussion with the Town of Petawawa. Concurrently, Xeneca will work to complete all necessary tasks requested by the Crown, which include First Nations business relationship discussions.

Respectfully, we request input from the Town of Petawawa in regard to any individual stakeholder or public interest groups for whom our projects would be of interest, as well as any relevant contact information. Furthermore, it would be considered helpful to the process if the Town of Petawawa could recommend suitable venues (i.e. town offices, libraries, Community halls) for public meetings.

The economic impact of these projects is one that will benefit the Town of Petawawa. Through the Green Energy Act, passed by the Ontario government in 2009, the Province is now procuring renewably produced electricity (wind, solar, water and biomass) to replace all coal-fired generation which is scheduled to close by 2014.

In the case of waterpower, the cost to build is about \$5 million per MW. Approximately half of that money is spent locally or regionally to acquire everything from trucking to concrete, as well as aggregate purchases, legal and surveying services, equipment rentals, labour, accommodations, restaurant services and more.

Over a 40 year period, waterpower pays on average \$5 million per MW in taxes, fees and royalties. Much of this money is returned to the communities where these waterpower plants are operating.

As the Town of Petawawa may be interested in some of the renewable energy government programs available, Xeneca would be pleased to assist in identifying those opportunities and provide direction to the appropriate government offices.

Should you require further information, please note that Xeneca has begun the process of posting the information concerning these projects. We invite you to visit our website at www.xeneca.com to provide comments or express any concerns. The website will be updated as information on each of the sites becomes available. For additional information, you may also contact Vanesa Enskaitis, Public Affairs Liaison and at venskaitis@xeneca.com.

Best regards,

Mark Holmes



Mark Holmes
Vice President, Corporate Affairs
Xeneca Power Development
mholmes@xeneca.com

5160 Yonge St., Suite 520
North York, ON
M2N 6L9

T: 416-590-9362
F: 416-590-9955

Cc: Mitchell Stillman, CAO

Bob, Thanks for the opportunity to present our projects to council last month. We look forward to working with you and the town as we move the projects forward.





File

TOWN OF PETAWAWA

1111 Victoria Street, Petawawa, Ontario K8H 2E6 • Telephone: 613-687-5536 / Fax: 613-687-5973
mayor@petawawa.ca www.petawawa.ca

OFFICE OF THE MAYOR
Bob Sweet

June 18, 2010

RECEIVED
JUN 25 2010

VIA REGULAR MAIL

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

Attention: Mr. Mark Holmes

Dear Mr. Holmes:

RE: Waterpower Development on the Petawawa River

At the Council-in-Committee meeting of June 14, 2010, Council discussed the ever increasing amount of correspondence that the Town is receiving from residents regarding the proposed waterpower development on the Petawawa River by your company. It is very evident that the residents of Petawawa are concerned about the possible negative effects of such a development. As such, Council is also very concerned about the potential impacts for our residents.

The proposed projects have the ability to adversely affect the quality of life for the residents of Petawawa. The Petawawa River is a source of significant recreational activities for the public and represents the heart of Petawawa to many people. From Council's discussion on June 14, 2010, Council presents the following recommendations for Xeneca to consider as the project proceeds. Council recommends that the proposed waterpower development:

1. Create no river hazards
2. Does not hinder or stop daytime river running
3. Offsets the water diverted through the penstock, and if possible provides a net increase of water during the daylight hours
4. Does not adversely affect water flow at the Catwalk

From the onset, the Town of Petawawa has been vocal that it does not wish to see any dam or changes to the Petawawa River. As representatives of the residents of the Town of Petawawa, it is Council's intention to monitor the process on a regular basis and be an advocate for all. I hope you will incorporate these recommendations during the planning process. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Bob Sweet". The signature is written in black ink and is positioned above a horizontal line.

Bob Sweet
Mayor

c.c. Paul Moreau, Ministry of Natural Resources District Manager, Pembroke

RS/sl



October 13, 2010

Mayor Bob Sweet
Town of Petawawa
111 Victoria Street
Petawawa, ON K8H 2E6

Dear Mayor Sweet and Council :

RE: Invitation to Attend Public Information Centres.

As promised in previous correspondence to your community, Xeneca Power Development is writing to inform your community that Public Information Centres (PICs) are being set up in your area with respect to the following proposed waterpower developments:

- Big Eddy project on the Petawawa River

As you may be aware, Xeneca Power Development has issued a Notice of Commencement for the Class Environmental Assessment for Waterpower Projects (Class EA) for the above noted projects. Public Information meetings are an important part of that process.

Xeneca Power Development Inc invites you to attend our Public Information Centre where you will have the opportunity to learn more about the project and provide your input to our project team. Please join us on:

Tuesday, November 16th, 2010
Time: 4:00 to 8:00 pm
Quality Inn & Suites
3119 –B Petawawa Boulevard, Petawawa

Your community's participation in the PICs is greatly valued as is the engagement in archeological, environmental and social-economic aspects of the projects. Communities with an interest in our projects will need information so that well informed decisions can be made. We also believe that a broader knowledge base is extremely important to ensure that any future development is conducted in a way to provide an appropriate balance between environmental, social and economic needs.

Overall, the Class EA is administered by the Ministry of the Environment and is a separate process from Site Release which is administrated by the Ministry of Natural Resources. No permits, approvals or tenure are issued through the Class EA as it is designed to provide information on the potential impacts and viability of each of the projects. The Class EA also allows for comment and dialogue between Xeneca Power Development and Communities, local First Nations, Federal and Provincial governments, as well as any additional stakeholders.

Xeneca Power Development will be posting information regarding our projects, access to information and government programs on its website at www.xeneca.com.

Xeneca Power Development endeavors to proceed in an open, transparent and respectful manner. Our approach includes meaningful, upfront consultation and community participation throughout the development process. If you, council or municipal staff wish to be briefed of our projects in advance of the Public Information Centre we would be pleased to arrange a meeting the evening prior to, or morning of, the scheduled PIC. Briefing can also be conducted further in advance via teleconference.

If there are questions or comments regarding the Public Information session the undersigned or Vanesa Enskaitis can be contacted at any of the numbers listed on our letterhead.

Best regards,

A handwritten signature in black ink, appearing to read 'Mark Holmes', with a stylized flourish extending to the right.

Mark Holmes
Vice President, Corporate Affairs

October 26, 2010

Mayor Bob Sweet
Town of Petawawa
111 Victoria Street
Petawawa, ON K8H 2E6

Dear Mayor Sweet and Council:

Your community will have recently received an October 13th notice and invitation to attend a Public Information Centre (PIC) regarding our proposed waterpower development:

- Big Eddy project on the Petawawa River

Please be advised that Xeneca Power Development will be rescheduling the Public Information Centre to which you have been invited. We fully expect to confirm new dates for January or early February and will provide advance notice. The change in meeting date will provide the necessary time to address government agency comments and further develop information related to our projects.

In the meantime, we continue to seek your community's input on the project, and we invite you to visit our website at www.Xeneca.com for project information, updates and notices.

If you have questions please contact the undersigned, or Vanesa Enskaitis at any of the numbers provided in our letterhead.

We look forward to meeting the members of your community in the coming weeks.

Best regards,

A handwritten signature in black ink, appearing to read "Mark Holmes", written in a cursive style.

Mark Holmes
Vice President, Corporate Affairs
Xeneca Power Development Inc.



5160 Yonge St., Suite 520, Toronto, ON M2N 6L9
tel 416-590-9362 fax 416-590-9955 www.xeneca.com

October 29, 2010

Mr. James Carmody
Town of Petawawa
111 Victoria St.
Petawawa, ON K8H 2E6

Dear Mr. Carmody

Congratulations on your election to the office of Petawawa Town Council

Your election speaks volumes about the level of trust you have built and the leadership you and will provide to your community. We at Xeneca Power look forward to working with you, the Town of Petawawa and the people of the region as we proceed with the process of developing waterpower facilities on the Petawawa River

As our previous correspondence with the Town has indicated, Xeneca is available should you, Mayor Sweet, fellow councilors or Town staff require at any time a briefing on our projects. All of our projects and descriptions can be viewed at our website at www.xeneca.com

Further, we anticipate holding public meetings regarding our Big Eddy project. A Public Information Centre and additional meetings are tentatively scheduled in Petawawa for early 2011.

Input from First Nations and municipal leaders is also being sought during archeological and environmental assessments of the project sites, and considerable economic activity is expected to be generated throughout development, particularly when construction is anticipated to commence in late 2012 or 2013.

Again, congratulations and best regards on your respective election to office.

Very best regards,

Mark Holmes
Vice President
Corporate Affairs



5160 Yonge St., Suite 520, Toronto, ON M2N 6L9
tel 416-590-9362 fax 416-590-9955 www.xeneca.com

October 29, 2010

Mayor Bob Sweet
Town of Petawawa
111 Victoria St.
Petawawa, ON K8H 2E6

Dear Mayor Sweet,

Congratulations on your acclamation to the office of Mayor of Petawawa

Your acclamation speaks volumes about the level of trust you have built and the leadership you have and will continue to provide -- to your community. We at Xeneca Power Development look forward to working with you, the Town of Petawawa and the people of the region as we proceed with the development of waterpower facilities on the Petawawa River.

We are also pleased to offer our congratulations to both returning and new members of Petawawa Council. As our previous correspondence with the Town has indicated, Xeneca is available should Mayor, Council or Town staff require at any time a briefing on our projects. All of our projects and descriptions can be viewed at our website at www.xeneca.com

Further, we anticipate holding public meetings regarding our projects in the region. A Public Information Centre and additional meetings are tentatively scheduled for early 2011.

Input from First Nations and municipal leaders is also being sought during archeological and environmental assessments of the project sites, and considerable economic activity is expected to be generated throughout development, particularly when construction commences in late 2012, 2013.

Again, congratulations and best regards on your respective election to office.

Very best regards,

Mark Holmes
Vice President
Corporate Affairs