

Date : 11/25/2011 4:13:20 PM

From : "Parrott, William"

To : "Thompson, Robert" , "Mullaley, Julia" , "Dalton, Diana" , "Paddon, Terry" , "Burrage, Don" , "Dutton, Sean" , "Moore, Len" , "Bown, Charles W." , "Bowles, Ron" , "Cleary, Bas"

Subject : LC DM's Steering Committee meeting

Attachment : LC Generation Meeting Agenda for DM's Steering Committee Nov 28 2011.doc; Lower Churchill DMs presentation LC Gen Project - Nov 28 2011.ppt;

Colleagues

In preparation for the DMs Steering Committee meeting on Monday, attached you will find a presentation deck and meeting agenda.

The purpose of the meeting will be to discuss key recommendations (outlined in the deck) as identified by the DMs, in order to finalize government's response.

On the secure directory you will find the government response document to all 83 recommendations and the updated matrix table.

We will bring copies of the Panel Report for reference.

Looking forward to a thorough discussion on Monday.

Bill

Deputy Minister's Committee
Lower Churchill Generation Project

November 28, 2011

Agenda

- 1. Review of key recommendations**
- 2. Aboriginal submissions on report**
- 3. Finalizing complete package of provincial responses**
- 4. Communication approaches**
- 5. Nalcor's responses to panel recommendations**

Lower Churchill Generation Project

Key Panel Recommendations

Presentation to DMs Steering Committee

Summary of the Panel Recommendations

On August 23, 2011, the Panel issued its report to both governments as per the Joint Panel Agreement and TOR. The report listed 83 recommendations of its report and are categorized as follows:

- 20 fall within provincial jurisdiction (e.g., provincial regulatory issues or mandate);
 - 13 fall within federal jurisdiction (e.g., navigation, fisheries);
 - 11 are directed at both federal and provincial jurisdictions (e.g., studies, monitoring);
 - 39 are directed to Nalcor Energy (e.g., monitoring, compensation).
-

Summary of Recommendations for Discussion

1. **Key recommendations include:**
 - 4.1 – Long term financial returns
 - 4.2 – Analysis of alternatives
 - 4.5 – Clearing of reservoir
 - 7.6 – Recovery of the Red Wine Mtn caribou herd
 - 9.3 – Community level land and resource monitoring plan
 - 15.5 – Project monitoring and Community Liaison Committee
 2. **Recommendations not accepted include:**
 - 6.5 – Pilot study for methylmercury
 - 12.12 – Modifications to the Benefits Strategy
 - 15.9 – Environmental review if Gull Island is delayed
 - 15.12 – Decommissioning
 - 16.2 – Establishment of Protected Areas
-

Key Recommendation 4.1

Government confirmation of projected long-term returns

Response:

(DNR to provide response)

Key Recommendation 4.2

Independent analysis of alternatives to meet domestic demand

Response:

(DNR to provide response)

Key Recommendation 4.5 (Forestry)**Full clearing of the Muskrat Falls reservoir****Response:**

The Government of Newfoundland and Labrador accepts the intent of the recommendation. However, we believe that partial clearing is currently the most feasible of the reservoir clearing scenarios presented by Nalcor.

Key Recommendation 7.6 (ENVC)

Recovery of the Red Wine Mountain caribou herd

Response:

- The Government of Newfoundland and Labrador accepts this recommendation. The Red Wine caribou herd is a Woodland caribou which is listed as Threatened under the provincial *Endangered Species Act* and the federal *Species at Risk Act*. The Province, however, retains jurisdiction and management authority.
- In 2004, Newfoundland and Labrador released its first recovery document under the *Endangered Species Act* for this species entitled “Recovery strategy for three Woodland caribou herds (*Rangifer tarandus caribou*; *Boreal population*) in Labrador.” The document was prepared by the Labrador Woodland Caribou Recovery Team which Nalcor is a member of and provided advice on actions needed to recover the species in Labrador. This recovery document is currently being updated with new information, activities complete, critical habitat and new actions required based on the new information that has been gathered over the past seven years. The updated recovery plan is scheduled to be released in early 2012.

Key Recommendation 9.3 (IGAAS)**Community level land and resource use monitoring****Response:**

The Government of Newfoundland and Labrador accepts the intent of this recommendation.

Key Recommendation 15.5 (ENVC)**Lower Churchill Project Monitoring and Community Liaison Committee****Response:**

The Government of Newfoundland and Labrador accepts the intent of this recommendation to establish an environmental Monitoring and Community Liaison Committee. As identified in the Governments' response to recommendation 15.1 a committee will be established by Nalcor to provide feedback and advice to the Proponent and Government on the effects of the Project. The Government is committed to ensuring consultation with affected Aboriginal groups, communities, and relevant stakeholders to address public concerns and communicate monitoring results.

Recommendation 6.5 (not accepted)(ENVC)**Pilot study for methyl mercury mitigation through soil removal****Response:**

- This recommendation is directed to Natural Resources Canada and Nalcor. Large scale pilot projects involving the effectiveness of soil removal in reducing methylmercury levels, its uptake and retention in the aquatic ecosystem would be a very challenging and complex project. Any benefits of methylmercury reduction through the removal of soils may be offset by significant increases in sedimentation and erosion of the reservoir bed during the early phases of the reservoir filling and operation.
 - The Water Resources Management Division of ENVC questions the environmental benefits and feasibility of implementing this recommendation, especially for the soil removal component.
-

Recommendation 12.12 (not accepted) (DNR)**Modifications to the Benefits Strategy****Response:**

The Government of Newfoundland and Labrador does not accept this recommendation.

Recommendation 15.9 (not accepted) (ENVC)

Environmental Review in the event that construction of the second generation facility is delayed

Response:

- **The Government of Newfoundland and Labrador does not accept this recommendation. The environmental assessment of the Lower Churchill Hydroelectric Generation Project (the Project) as described in the Environmental Impact Statement (EIS) was completed in accordance with the *Environmental Protection Act* and the federal *Canadian Environmental Assessment Act*. The project that was reviewed included both the Muskrat and Gull Island components.**
-

Recommendation 15.12 (not accepted) (ENVC)**Decommissioning****Response:**

Hydro generation is a renewable energy source and these facilities when maintained and refurbished, continue to function for 100's of years. Should the operator of the generating plant at the time require refurbishment or remediation of the plant then it will be done in accordance with the laws of general application at that time.

Recommendation 16.2 (not accepted) (ENVC)

Establishment of Protected Areas

Response:

- **This recommendation is outside the scope of the Panel's mandate. The Government of Newfoundland and Labrador is advancing the Protected Areas Strategy in Labrador. Two priority candidate areas are currently proposed for protection: the Mealy Mountains National Park and the Eagle River Waterway Provincial Park. If, through the standard processes of public consultation and protected areas planning, these two proposed areas are established as parks, the total protected area in Labrador would be increased to an estimated 8.0 % of the land base.**
- **The Provincial Government, through the Department of Environment and Conservation, has also partnered with the Nature Conservancy of Canada to develop a "Conservation Blueprint" for Labrador. This project involves a variety of partners to collect relevant biophysical and land use information to support conservation and other land management decisions in Labrador. Criteria for selecting areas of conservation interest is also being jointly developed by the partners. Reporting on the Conservation Blueprint is scheduled to be delivered in 2012.**