

August 3<sup>rd</sup> 2001

Derek Griffin  
Environmental Assessment Office  
PO Box 9426 Stn Prov Govt  
Victoria, BC V8W 9V1

Dear Derek,

**Subject: Kwoiek Creek Hydroelectric Project – Draft Project Report Specifications**

We acknowledge receipt of the draft Project Report Specifications on July 24<sup>th</sup> 2001 and we have a number of comments, which we will convey to you later. However, we felt that we should make you aware immediately of our concerns with regard to the preamble to Specification #13. The statement made is as follows

*"An accurate description of the system's natural hydrology will be required by the regulatory agencies to initiate the determination of necessary fish flows in Kwoiek Creek. The maintenance of ecosystem integrity and the provision of conditions to sustain viable fish populations will be central in this determination process. It is expected that some limited flow may be diverted (for power) without compromising this integrity beyond an acceptable level. However, it is also expected that the negative impacts associated with withdrawal will increase as the amount of diversion increases and, negative impacts are likely to increase as low flows are approached. Thus, DFO advises that the approval of withdrawal during low flows is unlikely." (1)*

The intent of this statement would render any hydroelectric development on Kwoiek Creek not financially viable. Further, we are of the strong opinion that application of these principles will prevent any new hydroelectric development in Canada.

The environmental experts retained by Powerhouse for the Environmental Assessment Office (EAO) process advise us that the position stated by DFO is premature for the proposed Kwoiek Creek hydroelectric project and is not based on scientific fact.

We believe that, with reasonable compensation flows designed to maintain or improve fish habitat, the proposed hydroelectric development on Kwoiek Creek is a viable project which will provide

- Significant benefits to the Bands of the Nlaka'pamux First Nation and other residents of the Fraser Canyon area,

# REGISTRY

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POWERHOUSE DEVELOPMENTS INC.

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- An electrical power supply with no greenhouse gas emissions and minimal (if any) net environmental impact.
- Substantial cumulative tax proceeds to all levels of government in the order of \$28,000,000 over the next 20 years (the project has a projected life of at least 80 years based on the fact that hydroelectric projects built in and around 1900 are still operating), and
- A reasonable return on investment for Powerhouse investors.

British Columbia, by virtue of its topography and climate, has an abundance of suitable sites for run-of-river hydroelectric development. Realization of the development of this energy resource is jeopardized by the DFO policy iterated by the statements in the Kwoiek Creek Project Report Specifications.

Not surprisingly, our investors are not prepared to continue with the permitting process under these circumstances. Therefore, we must advise that, while we will provide the EAO with a full set of comments on the Report Specifications, we will not proceed with further research or site investigations at Kwoiek Creek until this matter is resolved.

We urge you to use your best offices to obtain a more reasonable stance from DFO, such that decisions on conservation flows will be based on scientific research so that we can resume activities leading to permitting of this project.

Yours truly,  
POWERHOUSE DEVELOPMENTS INC.



W. P. Harland  
Vice President, Project Development

c.c. Chief James Frank - Kanaka Bar Band  
Steve Davis - President, Independent Power Association of British Columbia