

WANETA HYDROELECTRIC EXPANSION PROJECT (PROJECT)

RECOMMENDATIONS OF THE EXECUTIVE DIRECTOR AND REASONS FOR RECOMMENDATIONS

Pursuant to section 17 of the *Environmental Assessment Act* S.B.C. 2002, c. 43 (Act), the Executive Director of the Environmental Assessment Office (EAO) provides the following recommendations and reasons relating to the Project. In preparing this document, the following have been considered:

- The Project Application for an Environmental Assessment Certificate (Certificate) including Appendices (Application);
- All subsequent Project review documentation identified in Schedule A to the proposed (Certificate);
- The Waneta Expansion Power Corporation's (Proponent) Commitments attached as Schedule B to the proposed Certificate; and,
- The Project Assessment Report/Comprehensive Study Report (Joint Report);

The Executive Director recommends that a Certificate be issued for the Project, for the following reasons:

1. The environmental assessment (EA) of the Project was carried out in accordance with the scope, procedures and methods identified in the Orders issued by the Project Assessment Director under section 11 of the Act on September 22, 2003, and section 13 of the Act, April 26, 2006 (the section 11 and 13 Orders).
2. The EA of the Project addressed the potential effects identified in the section 11 and 13 Orders, including the potential for environmental, social, economic, heritage and health effects, and potential effects on First Nations interests.
3. Measures relating to the distribution of information about the Project to the public have been carried out by the Proponent in accordance with the section 11 and section 13 Orders, and have included public open houses.
4. Measures relating to the distribution of information about the Project to First Nations have been carried out by the Proponent in accordance with the section 11 and section 13 Orders. The Project is situated in the asserted traditional territories of (i) the Okanagan First Nations, comprised of the

Lower Similkameen Indian Band, Okanagan Indian Band, Osoyoos Indian Band, Penticton Indian Band, Westbank First Nation, Upper Nicola Indian Band, Upper Similkameen Indian Band; (ii) the Ktunaxa Nation Council comprised of the Lower Kootenay Band, St. Mary's Indian Band, Tobacco Plains Indian Band and Akisqnuq First Nation, in Canada, and two Bands in the U.S.; (iii) the Shuswap Indian Band which had been a member of the Ktunaxa Nation Council (formerly known as the Ktunaxa/Kinbasket Tribal Council) when the EA was initiated.

5. Opportunities have been provided by the Project Assessment Director for First Nations consultation in the assessment process and for addressing Aboriginal interests related to the Project. Ten meetings were held during the EA review process to discuss Okanagan Nation Alliance and Ktunaxa Nation Council interests and concerns. Many of these sessions were held in a working group format, and also involved provincial, federal and local government agencies, as well as U.S. agencies. Funding assistance for First Nations participation was provided by both EAO and the Proponent.
6. Opportunities have been provided by the Project Assessment Director for federal, provincial and local government agencies, as well as agencies of neighbouring jurisdictions in the U.S., to participate in the review process, as members of a multi-disciplinary advisory Working Group chaired by EAO, as well as participation in a technical working sub-group for aquatic/fisheries (Fisheries Working Group) and also chaired by EAO. The Working Group engaged in preliminary scoping of the Project, and all subsequent stages of the assessment process and the Fisheries Working Group addressed specific issues arising from the review that required special attention and information analysis. Since the Project triggered a federal comprehensive study level of review under the *Canadian Environmental Assessment Act* (CEAA), the assessment process has been designed to harmonize federal and provincial reviews, and has resulted in a Joint Report.
7. Issues identified by the public, the First Nations, provincial, federal and local government agencies and neighbouring jurisdictions, that fall within the scope of assessment of the Project, have been considered. The Joint Report identifies these issues and documents practical means to prevent or reduce to an acceptable level any potential significant adverse effects of the Project.

8. With respect to public consultation, five written submissions were received during the 45-day formal public comment period on the Application between June 16, 2006 and July 31, 2006. The issues raised were related to the transmission line and construction activities and included the following: the spread and control of invasive plant species (noxious weeds); alteration of forest cover; proliferation of power lines and increased access; effects on watersheds (water quality and downstream water rights holders); effects on farming activities; and increased traffic. The need to further consider an alternative route for the Project transmission line was expressed, and in response to this request from private landowners having property along the transmission line corridor, as well as local government, the Proponent commissioned a report on alternative routes and provided it to the interested parties. The report concluded that the originally proposed transmission line route would pose the least environmental impact. The Proponent has satisfactorily responded to the public on the issues raised.
9. Provincial, federal and local government issues, and the concerns of neighbouring jurisdictions, were identified and addressed through Project Working Group meetings, and meetings between the Proponent, EAO and individual agencies throughout the process. The key issues that required more extensive review and resolution were associated with effects of the Project on white sturgeon; the Shallow Water Habitat Compensation Program; wildlife species at risk under the *Species at Risk Act*; impacts on rare plant communities; spread of noxious weeds; and re-suspension of contaminated sediments. The Proponent has satisfactorily responded to the issues raised by provincial, federal and local government agencies.
10. The potential transboundary effects of the Project are related to total gas pressure levels and shallow water habitat from the operation of the Project power plant. The total gas pressure effects are expected to have moderate positive residual impact because of the reduction in spill. The Washington State Department of Ecology supports the Project because of the probable reduction in total gas pressure downstream. The terrestrial and aquatic study areas approved for the EA of the Project did not extend south of the Canada-U.S. border. Potential reductions in productivity of shallow water habitat and potential stranding of fish were brought to the attention of U.S. regulators who did not find them of sufficient concern to raise as issues. The Proponent has provided a conceptual design for shallow water habitat compensation to address downstream impacts in Canada as required by Fisheries and Oceans Canada policy.

11. The EA associated with the Project has satisfactorily addressed the effects identified in the Application Terms of Reference, issued for the Project in May, 2004.
12. All potential significant adverse effects of the Project are considered by EAO to be manageable to an acceptable level through:
 - The implementation of the Proponent's proposed design and mitigation and compensation measures, as identified in the Application and Proponent's Commitments;
 - Compliance with, and implementation of, the commitments and conditions specified in the Certificate, if granted; and,
 - Compliance with subsequent statutory permits, licences and approvals, or any authority required under any other enactment.
13. The Project Assessment Director is satisfied that First Nations consultation by the provincial Crown has been appropriate in the circumstances; that the likelihood of significant adverse impacts on the current use of the lands and resources for traditional uses by First Nations is low; that the recommended Proponent mitigation measures are adequate and represent an appropriate balance between the concerns of the First Nations and the potential impact of a decision to issue a Certificate for the Project.
14. Federal Responsible Authorities have collaborated in the preparation of the Joint Report and support the conclusions set out in the Joint Report. The Joint Report is intended to be used as a Comprehensive Study required under CEAA.
15. The Project is in the broad public interest of supplying reliable power to the citizens in the Province of British Columbia.
16. The Project is anticipated to create approximately 680 person-years of construction employment and four permanent jobs during operations. Capital costs of the Project are estimated to be \$400 million. Construction is expected to take 42 months with operations commencing in 2011.

The Executive Director's recommendation that a Certificate be issued for the Project is made subject to the following provision:

1. The final form of the Owner's Commitments, dated September 28, 2007, and the Owner's Environmental Requirements for Construction, Section A-G, Revision 2 dated January 15, 2007, should be given the force of law by being made a condition of the Certificate, if the Project is approved.



Robin Junger
Executive Director
Environmental Assessment Office

Dated: Oct. 17/07