

MACKENZIE GREEN ENERGY CENTRE PROJECT ASSESSMENT REPORT

APPENDIX I

Application Stage Consultation Program Final Report



Mackenzie Green Energy Centre
Application Review Phase Consultation Program

Final Report

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Submitted by:

Mackenzie Green Energy Limited Partnership

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1. INTRODUCTION

Mackenzie Green Energy Limited Partnership (MGELP) is proposing to develop the Mackenzie Green Energy Centre (MGEC) next to the Pope & Talbot pulp mill in Mackenzie on 43.1 hectares (106.5 acres) of land already disturbed from past development of buildings, roads, and railway tracks, and by logging. The project will consist of an electricity generation facility, wood storage site, ash landfill, administration buildings and infrastructure connections. MGELP, a partnership between Pristine Power, Harbert Power and Balanced Power Engineering, is developing the \$225 million project.

The project is located on privately owned land within the Treaty 8 lands. Treaty 8 First Nations and the Treaty 8 Tribal Association (T8TA) were provided with project information and invited to participate in the joint provincial/federal environmental review process.

Studies were undertaken to determine how the MGEC would affect the local area and the ways in which positive effects could be increased and negative effects avoided or decreased. The findings of these studies were described in the Application for an Environmental Assessment Certificate (Application) submitted to the BC Environmental Assessment Office (BC EAO). Information on all studies can be found in the Application which is available on the internet at www.eao.gov.bc, on the project website at www.mackenziegreenenergy.ca or in the Mackenzie and Chetwynd libraries. Copies were also provided to First Nations with an interest in the MGEC.

1.1 CONSULTATION OVERVIEW

MGELP recognizes the importance of a comprehensive and inclusive consultation program and has continued to work to achieve this following submission of the Application. During this period, MGELP continued to consult with First Nations, the community, and local, regional, provincial and federal Governments and will continue to communicate with interested parties through construction and operation of the facility should the project be approved. This will help to ensure that the commitments made are realized, that the positive effects of the project are enhanced, and that any negative effects are mitigated.

This report summarizes the consultation and communications efforts and activities undertaken during the Application review phase of the joint BC Environmental Assessment Act (BCEAA)/Canadian Environmental Assessment Act (CEAA) project review. Consultation activities during this phase focussed on ensuring that all interested parties:

- were aware that the Application had been submitted and of the locations at which it could be reviewed;
- were aware of the means through which they could provide comment on the Application; and
- had the opportunity to continue to contribute to the identification and resolution of concerns and issues and the enhancement of benefits.

Many of the consultation and communications activities employed in this phase were similar to those employed during the pre-Application phase. A number of the activities were broad based and aimed at the study area communities in general while other activities were specific to First Nations or other interested parties. The activities undertaken during the Application review phase are described in the following section beginning with general

activities as these were aimed at all interested parties. This is followed by a discussion of First Nations specific activities and, then, by a discussion of consultation with governments and community members.

2. CONSULTATION ACTIVITIES

2.1 GENERAL ACTIVITIES

2.1.1 Application Advertisement

An advertisement (Attachments 1A-C) stating that the Application had been submitted, identifying the public review period and indicating that an open house would be held was placed in the following locations:

- Mackenzie Times (April 24th and May 8)
- Chetwynd Echo (April 27)
- Project web-site
- BC EAO web-site

The advertisement in the Mackenzie Times on April 24th advised readers that the Application was available for review and comment. It provided an overview of the project, the review process, the timing of the public comment period, and the means through which to access the Application and provide comment. It also indicated that an open house would be held and provided a contact number for those interested in finding out about the open house. No calls were received by MGELP or the BC EAO inquiring about the open house.

The advertisement in the Chetwynd Echo on April 27th and the Mackenzie Times on May 8 provided the same information as above but, instead of indicating that an open house would occur, provided the details of the open house including date, time, and location.

2.1.2 Open House

One open house was held in Mackenzie on May 14th, 2007. The open house provided interested parties with an opportunity to:

- learn more about the project;
- discuss the project with project resource personnel;
- identify concerns and/or provide comments related to the construction and operation of MGEC; and
- share ideas as to how the identified concerns could be best addressed and potential opportunities enhanced.

As noted above, the open house was advertised in local papers and on the BC EAO and project web-sites. Project working group members, including First Nations, were also informed of the date and time of the open house.

The open house was conducted in a drop-in format allowing visitors to learn about the project at a pace reflecting their own level of interest and expertise and to engage in dialogue with the resource people and other visitors on the issues important to them.

The focus of the open house information material was a set of textual and graphic display panels providing information on the following areas:

- Welcome
- What is the Mackenzie Green Energy Centre?
- Who will own and operate the facility?
- Where will the MGEC be located?
- Where will the woodwaste come from?
- How does a biomass cogeneration facility operate?
- How is the project being reviewed?
- The BC Environmental Assessment Process
- Project Studies
- Air Quality
- Greenhouse Gases
- Noise
- Water Vegetation, Wildlife, and Fish
- Construction Employment (2)
- Operations Employment
- Business Opportunities
- Socio-economic Studies (2)
- Transportation and Traffic
- Truck Traffic and Wildlife
- First Nations
- Project Schedule
- How Can I Participate?
- What's next?

Representatives of the project proponent and the study team were available to discuss the project. Team members present at the open house included representatives of MGELP, project engineers and environmental, socio-economic and public consultation consultants.

Approximately 35 people attended the open house and 8 submitted completed comment forms. Four of those who completed comment forms expressed support for the project and did not have questions or comments. The questions and comments raised by the other four were reflective of the issues and concerns raised during the pre-Application phase and were as follows:

Question/Comment

MGELP Response

Ability of road from Fort St. James to handle MGEC and Mt. Milligan traffic.

- The Districts of Mackenzie and Fort St. James are working together to secure provincial funding to upgrade the road to facilitate economic development in both communities. As an intended industrial user, MGELP supports this effort and has provided a letter to this effect to the District of Mackenzie.
- Regarding the Mt. Milligan project, it is our understanding that the project proponents are examining transportation options for their project and this may or may not include use of the forestry service road.

Use local help and contractors

- MGELP intends to use local employees and contractors to the extent possible. MGELP will provide names of local contractors to the general contractor and will hold a contractors open house prior to start-up of construction to help ensure that local contractors are aware of the potential

opportunities with the project during construction and operation. The open house will be advertised in the Mackenzie Times.

Methods for dealing with unforeseen complications

- Through the studies undertaken for the Application for an Environmental Assessment Certificate, MGELP worked to identify potential effects of the project and the means through which they could be avoided or minimized. Further, as part of the project implementation, plans and procedures such as an Emergency Response Plan and Environmental Management Plan will be prepared and will identify how environmental effects will be mitigated and emergencies responded to during project construction and operations.

Assess the amount of woodwaste left in cut blocks after logging as it could provide fuel for the facility.

- MGELP is currently examining a number of means through which to secure fuel for the MGEC including examining the amount of forest residue typically piled and open-burned after completion of logging. This material is in excess of forest residue purposely left in the forest by licensees in accordance with their Forest Development Plans. One of the benefits of the MGEC would be utilization of wood residue to produce electricity rather than burning it in beehive burners.

Copies of the display boards (Attachment 2) were provided to the McLeod Lake, West Moberly, Sauleau, Fort Nelson and Halfway River First Nations and the Treaty 8 Tribal Association after the open house was held. No comments or questions regarding the display boards were received from First Nations.

2.1.3 Web-site

A project web-site was maintained during the Application review stage. Copies of the Application and the open house boards were posted to the web-site. Project contact information was also available on the web-site.

2.1.4 Project Information Line and E-mail

A toll-free phone line and a project e-mail address were maintained to enable interested parties to provide information to and/or request information from MGELP. All calls coming to the project information line were related to potential employment or business opportunities.

2.1.5 Working Group Meetings

Two Working Group meetings were held during the Application review period. The first was held in Mackenzie on May 15, 2007 and the second in Fort St. John on July 18, 2007.

2.1.5.1 Working Group Meeting #1

A Working Group meeting was held in Mackenzie on May 15, 2007. Representatives of the working group who participated in the meeting were the BC EAO, West Moberly First Nations, McLeod Lake Indian Band, Halfway River First Nation, RESCAN (3rd Party consultant for First Nations), District of Mackenzie, Ministry of Environment, and Natural

Resources Canada (NRCan). Representatives of the proponent and consulting team were also in attendance.

The BC EAO discussed the review process and the proponent presented an overview of the project (Attachment 3) and of the open house boards. The meeting provided an opportunity for Working Group members to discuss the project and studies with the proponent and project consultants and to identify any areas where they felt that additional information or clarification was required.

2.1.5.2 Working Group Meeting #2

A Working Group meeting was held in Fort St. John on July 18, 2007. Representatives of the BC EAO, Canadian Environmental Assessment Agency (CEA Agency), West Moberly First Nations, McLeod Lake Indian Band, Halfway River First Nation, RESCAN (3rd Party consultant for First Nations), District of Mackenzie, Ministry of Environment, NRCan and Health Canada participated in the meeting. Representatives of the proponent and consulting team were also in attendance.

The BC EAO provided an update of the status of the MGEC in the BC Environmental Assessment review process and this was followed by a description of the CEAA review process and status of the Project in this process. The meeting provided an opportunity for the Working Group to discuss comments from First Nations and the Ministry of Environment and the Proponent's responses to these comments. The objective was to ensure that all issues had been identified and addressed. The meeting also provided an opportunity for NRCan and other Federal Agencies to ask the Proponent, agencies or First Nations questions and an opportunity for the District of Mackenzie to discuss its response to the project.

MGELP responded to all questions and requests made by Working Group members during the Application review phase.

2.1.6 Site Visit

Immediately following the Working Group meeting on May 15, 2007, a site visit was held to give those who had not yet seen the site an opportunity to become familiar with it. Representatives of the BC EAO, West Moberly First Nations, McLeod Lake Indian Band, Halfway River First Nation, and RESCAN participated in the site visit. Project representatives showed participants where the facility, fuel pile and ash landfill would be located and where the existing facilities, wetlands and services were located. Questions about the site and development were answered during the tour.

2.1.7 Mackenzie Trade Show

The annual Mackenzie Chamber of Commerce Trade Show was held from May 4-6 in Mackenzie and was attended by approximately 2000 people. MGELP had a booth at the trade show which was manned by project representatives. In addition, a presentation which provided an overview of the project ran continually on a computer screen in the booth. All questions and comments received during the trade show were related to employment and business opportunities.

2.2 FIRST NATIONS SPECIFIC CONSULTATION

Prior to submission of the Application, the McLeod Lake Indian Band, West Moberly First Nations, Sauleau First Nations, and Fort Nelson First Nation had expressed an interest in participating in the project review process and MGELP maintained ongoing contact with these First Nations. Once the Application was complete, it was forwarded to all Treaty 8 First Nations including those identified above. Following this, the Halfway River First Nation and the Blueberry River First Nation indicated that they were also interested in participating in the review. As the review continued, the Halfway River First Nation chose to participate and the Blueberry First Nation did not.

The First Nations consultation program employed many of the same information dissemination methods used for the general consultation program. There was an open offer throughout this period from the proponent to hold community meetings or other meetings and to provide information as deemed appropriate by the First Nations. Discussion was held regarding the possibility of a First Nations open house and, after a planned open house had to be cancelled due to events in the community and a replacement date could not be arrived at, it was agreed that an alternative means of disseminating project information to the community members would be employed and, as such, a First Nations Newsletter was prepared and distributed (See Section 2.2.2). First Nations also participated in the Working Group meeting and site visit and MGELP also made presentations to the Chiefs and Councils of First Nations who expressed an interest in having MGELP meet with them.

Formal comments were received from the First Nations during the project review period. The areas in which the First Nations requested additional information were:

- Use of pesticides and herbicides
- Ash storage
- Use of potentially contaminated wood
- Mineral analysis of wood residue ash
- Site fencing
- First Nations VECs
- Map of hog fuel transport routes relative to traditional territories
- Additional detail for all development phases
- Additional detail on dismantling and abandonment
- Canfor closure
- Potential separation of wood and fly ash
- Air Quality
- Potential soil monitoring program
- Status of soils around the site
- Request for detailed soils map
- Species to be used for revegetation
- Availability of effluent monitoring data
- Request for expanded testing of wetland water
- Request for expansion of vegetation monitoring plan
- Site use by wildlife
- Potential business opportunities
- Consideration of Official Community Plans
- Traditional use of plants in the area
- Power plant emissions
- Truck emissions
- Use of beetle killed wood

The actual comments, along with the MGELP responses are appended as Attachment 4A.

MGELP is committed to working with the First Nations with an interest in the project to ensure that their concerns and questions are responded to and that the commitments made in the Application are fulfilled.

Specific First Nations consultation activities that occurred during the Application review period are described below.

2.2.1 Ongoing Contact

Throughout the Application review phase contact was maintained with the McLeod Lake Indian Band, West Moberly First Nations, Sauteau First Nations, and Fort Nelson First Nation. E-mails were also sent and phone calls made to the Halfway River First Nation to provide updates and information. Discussions during this phase focussed on the open house, working group meeting and means through which to provide project information to First Nations members.

With the exception of the questions and comments raised at the Chief and Council meetings (see Section 2.2.3), the only new questions raised during ongoing contact were:

- potential effect of the closure of the Canfor mill on the project;
- nature and volume of effluent;
- Williston Reservoir water quality; and
- effect of emissions on berries.

The first question is responded to in Attachment 4A and Canfor has since announced that the mill will not be closing but will continue to operate under a modified shift schedule. The final three questions are addressed in Attachment 4B.

2.2.2 First Nations Newsletter

One newsletter was prepared and distributed during the Application review phase and a copy is appended to this report (Attachment 5). The newsletter provided information on the following areas:

- Project Overview
- Fuel Supply
- Project Studies
- Employment
- Business Opportunities
- Air Quality
- Water Quality and Water Use
- Traditional Use
- Treaty Rights
- Project Schedule
- Contact Information

As the First Nations indicated that they would prefer to receive the copies of the newsletter and distribute it to their members rather than have MGELP mail the copies directly to the members, MGELP sent the newsletter to the First Nations band offices via Canada Post Express on July 11, 2007 as follows:

Monique Last – 300 copies
McLeod Lake Indian Band
#214 – 1600 3rd Avenue
Prince George, BC V2L 3G6

Clayton Davis – 250 copies

Saulteau First Nations
PO Box 330
Moberly Lake, BC V0X 1X0

Maria Cryingman & Bruce Muir – 125 copies

West Moberly First Nations
PO Box 90
Moberly Lake, BC V0C 1X0

Fort Nelson and Halfway River were also contacted regarding interest in having MGELP distribute the newsletter to their membership, but neither responded to this enquiry.

A copy of the newsletter is also available on the Mackenzie Green Energy website at www.mackenziegreenenergy.ca.

2.2.3 Meetings with Chief and Council

MGELP offered to meet with the Chief and Councils of McLeod Lake Indian Band and the Saulteau, West Moberly, Fort Nelson, and Halfway River First Nations. The Saulteau and West Moberly First Nations and the McLeod Lake Indian Band indicated that they would be interested in presentations to Chief and Council. A brief overview of the presentations and the key points of discussion are provided below. Discussions regarding issues raised will continue as the project proceeds.

2.2.3.1 McLeod Lake

A presentation to Chief and Council was made on July 9, 2007 at the McLeod Lake Indian Band office in Chetwynd. The presentation was attended by the Chief, Councillors, and the Governance Officer. The presentation provided an overview of the project and project studies and was followed by a question and answer session. Key points of discussion included:

- Traffic volumes
- Cumulative effects
- Required certification
- Governance of MGEC
- Effect of Canfor shut down
- Waste management
- Ongoing environmental reporting
- Potential economic benefits

2.2.3.2 Saulteau

A presentation to Chief and Council was made on July 10, 2007 at the Saulteau First Nations Office in Moberly Lake. The presentation was attended by the Chief, Councillors, the Lands Manager, and the Industrial Relations Manager. The presentation provided an overview of the project and project studies and was followed by a question and answer session. Key points of discussion included:

- Location of similar plants
- Project status
- First Nations hiring policy
- Trucking opportunities
- Use of pine beetle killed wood
- Contracting opportunities

- Greenhouse opportunities
- Definition of hog fuel
- Apprenticeship positions
- Job shadowing

2.2.3.3 West Moberly

A presentation to Chief and Council was made on July 11, 2007 at the West Moberly Lake First Nations Lodge in Moberly Lake. The presentation was attended by the Band Councillors. The presentation provided an overview of the project and project studies and was followed by a question and answer session. Key points of discussion included:

- Effect of Canfor closure
- Carbon dioxide emissions
- Closure of beehive burners
- Use of Canfor Chetwynd waste
- Monitoring of ash runoff/means for addressing potential problems
- Alternative uses for ash
- Water usage volumes, source
- Definition of sludge
- Landfill capping
- Fuel volume
- Fuel source
- Project status
- Project benefits
- Query re previous questions sent
- Future meetings
- Presentation of West Moberly position in Application (environmental concerns and economic benefits)

2.2.4 Discussions with 3rd Party Reviewer

A 3rd party reviewer was retained to assist interested First Nations with their review of the Application. The 3rd party reviewer worked with the West Moberly First Nations, Sauteau First Nations, Fort Nelson First Nations and Halfway River First Nations to facilitate review of the Application. The 3rd party reviewer attended the Working Group meetings and MGELP indicated that they were available to meet with the reviewer should the need arise.

2.3 GOVERNMENT AND COMMUNITY CONSULTATION

The project proponent and consultants met and/or had telephone contact with government representatives, First Nations and community members during the Application review period. Discussions focussed on providing updates on the project, answering questions and receiving input. Although a wide cross-section of topics was discussed, the focus was on environmental effects, particularly air quality and water quality and economic and employment opportunities.

2.3.1 District of Mackenzie

Discussions with the District focussed on project development matters. MGELP also submitted a letter supporting the District's attempts to secure funding for the upgrade of the road between Mackenzie and Fort St. James.

The Mayor attended the open house in Mackenzie and a District of Mackenzie representative participated in the Project Committee meeting. The District submitted a letter to the BC EAO in support of the MGEC project.

2.3.2 Regional District of Fraser Fort George

A copy of the Application was forwarded to the Regional District. MGELP did not receive any comments on the Application from the Regional District.

2.3.3 Province of British Columbia

Copies of the Application were provided to the following Ministries/Agencies on the Working Group:

- Environmental Assessment Office
- Ministry of Community Services
- Ministry of Environment
 - Air Quality
 - Environmental Quality
 - Environmental Protection
- Ministry of Health
- Ministry of Energy, Mines and Petroleum Resources
- Ministry of Tourism, Sport and the Arts

A meeting was held on May 17, 2007 with five representatives of the Ministry of Environment to discuss the Application and the feedback received to date as the Ministry representatives were not able to attend the Working Group meeting in Mackenzie on May 14th. Discussions also covered the process and requirements for applying for air, effluent and solid waste permits for the MGEC. A preliminary draft air permit application was submitted to initiate the permit application process. This application was accepted and later lead to issuance of an air permit file number by the Ministry.

Discussions with the BC EAO were ongoing during the Application review process and focussed on process issues and ensuring that all requirements were being met.

Formal comments were received from the Ministry of Environment during the Application review period and the comments, as well as the responses from MGELP are appended to this report as Attachment 6.

Discussions were also held with the Ministry of Forests regarding use of forestry service roads.

2.3.4 Federal Government

A copy of the Application was sent to the CEA Agency and a representative of NRCan participated in the May 15, 2007 Working Group meeting. During the project review process, it was officially determined that the project would be subject to review under CEAA.

Following this determination, a meeting was held in Vancouver with representatives of the CEA Agency, Natural Resources Canada and Health Canada. Topics of discussion were as follows:

- BC EAO provided a brief overview of the Project and its current status in the BCEAA review process.
- The CEA Agency provided a description of the federal review process and the status of the MGEC in this process
- Discussion of the role of federal agencies (NRCan, Environment Canada, Health Canada).
- Presentation on the project by MGEC.
- Questions and discussion re presentation and studies.
- July 18 working group meeting.
- Next steps in the CEAA review.

A copy of the Application was provided to Health Canada at the meeting and copies of the Application were couriered to Natural Resources Canada and the CEA Agency representative in Ottawa after the meeting.

Following this, a number of meetings and discussions were held with Environment Canada, Health Canada, NRCan and the CEA Agency. Responses to the questions and comments resulting from these meeting and discussions are contained in Attachments 7A to 7H.

2.3.5 Local Stakeholders

Consultation with local stakeholders during the Application review phase occurred primarily through advertisements in local papers, the open house in Mackenzie and the Mackenzie Trade Show. A summary of the comments and responses provided to comment forms from the open house were discussed earlier. The prime area of interest at the Mackenzie Trade Show was employment and business opportunities. Discussions were also held with the identified owner of a trap identified in the course of the Traditional Use Studies and it was determined that the trap did not belong to him.

2.4 ISSUE IDENTIFICATION AND RESOLUTION

Issues were identified during the Application review phase through a number of means including an open house, working group meetings, submissions from governments, submissions from First Nations, and meetings. Copies of the open house comment forms and responses as well as government and First Nations comments on the Application and responses are appended to this report.

The majority of questions and issues raised during the Application review phase were similar to those raised during the pre-Application period. MGELP responded to the questions and concerns raised in a number of ways including direct contact with the public and local businesses, through comments at the open house, through letters to interested parties, and through written responses to official comments from agencies and First Nations. MGELP has addressed all concerns raised by reviewers and has developed mitigation or enhancement measures for all issues raised during the review of the Application.

ATTACHMENTS