



Conservation and Water Stewardship

Climate Change and Environmental Protection Division
Environmental Approvals Branch
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CLIENT FILE NO.: 5420.00

April 13, 2012

Ryan Kustra
Manitoba Hydro
360 Portage Avenue
P.O. Box 815
Winnipeg MB R3C 2P4



Dear Mr. Kustra:

Manitoba Conservation and Water Stewardship has determined that an alteration, pursuant to Section 14(2) of *The Environment Act*, to Environment Act Licence No. 2952 is required.

An alteration to the licence is required as it has been determined that the potential negative environmental effects associated with the methods required to identify active caribou calving areas are greater than the anticipated benefits of avoiding them for this project. Therefore, the licence conditions that require identification of these areas, specifically Clauses 24 and 25, have been removed.

This alteration will require a change to the Keeyask Infrastructure Project Terrestrial and Aquatic Monitoring Plan dated October 2011. A revised version of this plan is requested as soon as possible.

Enclosed is revised **Environment Act Licence No. 2952 R** dated April 13, 2012 issued in accordance with The Environment Act to **Keeyask Hydropower Limited Partnership, represented by the General Partner, 5900345 Manitoba Ltd.** for the construction, operation and maintenance of the Development being a 25 kilometre, two-lane, all-weather gravel road from Provincial Road 280 to the north shore of Gull Rapids, a start-up construction camp, and the first phase of a main construction camp, including wastewater treatment facilities for both camps, in accordance with the Proposal filed under The Environment Act, including the Environmental Assessment Report dated July 31, 2009, and additional information dated August 31, 2009, October 6, 2009, October 26, 2009, June 11, 2010, November 24, 2010, January 18, 2011, and January 24, 2011.

In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with. A Notice of Alteration must be filed with the Director for approval prior to any alteration to the Development as licensed.

For further information on the administration and application of the Licence, please feel free to contact Jeff Fountain, Environment Officer, Northeast Region at (204) 677-6703.

Pursuant to Section 27 of The Environment Act, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation within 30 days of the date of the Licence.

Yours truly,

Tracey Braun
Tracey Braun, M.Sc.
Director
Environment Act

Enc.

c: Don Labossiere, Director, Environmental Compliance & Enforcement
Pierce Roberts, Director, Northeast Region
Jason Fontaine, Aboriginal and Northern Affairs
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2952 R (by the Licencee only) is required by the Director of Environmental Approvals. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by April 27, 2012.

On behalf of Keeyask Hydropower Limited Partnership

Date

****A COPY OF THIS LICENCE AND THE KEYASK INFRASTRUCTURE PROJECT ENVIRONMENTAL PROTECTION PLAN MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES****

Licence No. / Licence n°	<u>2952 R</u>
Issue Date / Date de délivrance	<u>March 8, 2011</u>
Revised	<u>April 13, 2012</u>

In accordance with The Environment Act (C.C.S.M. c. E125) /
Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Section 11(1) / Conformément au Paragraphe 11(1)

THIS LICENCE IS ISSUED TO : / CETTE LICENCE EST DONNÉE À :

**KEYYASK HYDROPOWER LIMITED PARTNERSHIP, REPRESENTED BY
THE GENERAL PARTNER, 5900345 MANITOBA LTD.:**
"the Licence"

for the construction, operation and maintenance of the Development being a 25 kilometre, two-lane, all-weather gravel road from Provincial Road 280 to the north shore of Gull Rapids, a start-up construction camp, and the first phase of a main construction camp, including wastewater treatment facilities for both camps, in accordance with the Proposal filed under The Environment Act, including the Environmental Assessment Report dated July 31, 2009, and additional information dated August 31, 2009, October 6, 2009, October 26, 2009, June 11, 2010, November 24, 2010, January 18, 2011, and January 24, 2011, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence:

“**Department**” means Manitoba Conservation;

“**Director**” means an employee so designated pursuant to The Environment Act;

“**Environment Officer**” means an employee appointed as such by the Minister;

“**Natural Resource Officer**” means an employee appointed as such by the Minister;

“**Partnership**” means Keeyask Hydropower Limited Partnership, represented by the General Partner, 5900345 Manitoba Ltd.;

“waterbody” means any body of flowing or standing water, whether naturally or artificially created, and whether the flow or presence of water is continuous, intermittent or occurs only during a flood, including but not limited to a lake, river, creek, stream, slough, marsh, swamp and wetland, including ice on any of them; and

“wetlands” means those areas where the water table is at or above the land surface for a long enough period each year to make the area capable of supporting aquatic or hydrophilic vegetation, and which have soils with characteristics indicative of wet conditions.

GENERAL TERMS AND CONDITIONS

This Section of the Licence contains requirements intended to provide guidance to the Licencee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencee shall not affect any land during the construction and operation of the Development which is not leased or owned by the Partnership or where permission to use land or resources has not been acquired through reservation, easement, or permit issued by the Province of Manitoba.
2. The Licencee shall establish any fuel storage areas required for the construction and operation of the Development:
 - a) a minimum distance of 100 metres from any waterbody; and
 - b) in compliance with the requirements of *Manitoba Regulation 188/2001*, or any future amendment thereof, respecting *Storage and Handling of Petroleum Products and Allied Products*.
3. The Licencee shall ensure fuel storage containers incorporate secondary containment in accordance with *Manitoba Regulation 188/2001*, or any future amendment thereof, respecting *Storage and Handling of Petroleum Products and Allied Products*.
4. The Licencee shall collect and dispose of all used petroleum products and other regulated hazardous wastes generated by the machinery used in the construction and operation of the Development in accordance with *The Dangerous Goods Handling and Transportation Act*.
5. The Licencee shall, at all times during the construction of the Development, have available at the construction sites, materials to contain and recover spills of fuel and other fluids associated with construction machinery.

6. The Licencee shall during construction and operation of the Development:
 - a) immediately report any reportable spills to Manitoba Conservation's Accident Reporting Line at (204) 944-4888 pursuant to **Manitoba Regulation 439/87**, respecting **Environmental Accident Reporting**, or any future amendment thereof; and
 - b) at the request of the Director, provide a follow-up report to the Director on a reportable environmental accident outlining the cause(s) and proposed corrective action to prevent reoccurrence.
7. The Licencee shall dispose of solid waste and non-reusable demolition and construction debris from the Development at a waste disposal ground operating under the authority of a permit pursuant to **Manitoba Regulation 150/91** respecting **Waste Disposal Grounds**, or any future amendment thereof, or a Licence pursuant to **The Environment Act**.
8. The Licencee shall, during construction of the Development, dispose of all sewage and septage from on-site sanitary facilities in accordance with:
 - a) **Manitoba Regulation 83/2003**, respecting **Onsite Wastewater Management Systems Regulation**, or any future amendment thereof; or
 - b) this Licence.
9. The Licencee shall, during construction of the Development, adhere to the general recommendations on design, construction and maintenance of stream crossings as specified in the Manitoba Department of Natural Resources and federal Department of Fisheries and Oceans guidelines titled **Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat, May 1996**.
10. The Licencee shall, prior to construction of the Development, obtain all permits and agreements as required by Manitoba Infrastructure and Transportation.
11. The Licencee shall, prior to construction of the Development, provide a copy of this Licence and the Keeyask Infrastructure Project Environmental Protection Plan (EPP) to the contractor and subcontractor(s) involved in the Development and ensure they have a working knowledge and understanding of the conditions in the Licence and prescriptions in the EPP.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

12. The Licencee shall, not less than two weeks prior to beginning construction of the Development, provide notification to the Environment Officer in Thompson and the Natural Resource Officer in Gillam responsible for the administration of this Licence of the intended starting date of construction, the names of the contractors responsible for the construction, and the names of the personnel responsible for onsite management of the project.

13. The Licencee shall, prior to commencement of clearing and construction activities for the Development, submit to the Director, a Keeyask Infrastructure Project Environmental Protection Plan (EPP). The EPP shall describe the approach to be used by the Licencee to monitor construction activities of the project to ensure that mitigative measures are applied systematically, and in a manner consistent with the commitments made in the Keeyask Infrastructure Project Environmental Assessment Report. Specifically, the EPP shall:
 - a) describe the protocol for internal reporting on monitoring and compliance for the construction of the project;
 - b) provide field construction personnel with clear instructions on the mitigation measures to be implemented and on the appropriate lines of communication and means of reporting to be followed throughout the full-life cycle of the project;
 - c) summarize environmental sensitivities and mitigation actions, list emergency response plans and reporting protocols, describe a closure plan for borrow pits, including mitigation of potential hazards to public safety and mitigation to address land reclamation concerns; and
 - d) provide specific information on waste management practices to be used during the construction phase of the project, including consideration of all liquid and solid wastes generated.
14. The Licencee shall, prior to construction of the Development, arrange a meeting with the construction Project Managers and the Northeast Region of Manitoba Conservation to review the EPP, pursuant to Clause 13 of this Licence. Written confirmation from the Director that the EPP is acceptable to Manitoba Conservation is required prior to the start of construction of the Development.
15. The Licencee shall, prior to construction, prepare for the approval of the Director, a report on monitoring programs to be undertaken in relation to the environmental practices outlined in the Keeyask Infrastructure Project Environmental Assessment Report and the EPP. The report shall:
 - a) provide a description of the proposed activities for monitoring effects to the physical, aquatic, and terrestrial environments arising from the site preparation and construction of the Development; and
 - b) describe the parameters to be measured, the methodology and frequency of measurement, references to established thresholds and sustainability indicators, where appropriate, and the protocol for reporting the results of monitoring of the environmental conditions affected by the Development to Manitoba Conservation.
16. The Licencee shall, during construction, implement the monitoring programs approved pursuant to Clause 15 of this Licence.
17. The Licencee shall report annually to the Director on the results of the monitoring programs as approved pursuant to Clause 15 of this Licence.

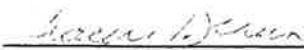
18. The Licencee shall, prior to construction of the Development, obtain a Water Rights Licence for any water well(s) associated with the development, pursuant to *The Water Rights Act*.
19. The Licencee shall, prior to construction of the Development, obtain a Live Fish Handling Permit from the Fisheries Branch of Manitoba Water Stewardship for any fish relocating activities.
20. The Licencee shall flag and avoid environmentally sensitive sites and priority habitat as prescribed in the EPP, prior to commencing construction activities near the areas in which they occur.
21. The Licencee shall, during construction of the Development, provide nuisance wildlife training to construction personnel when required.
22. The Licencee shall, during construction of the Development, minimize impacts to active animal dens and bird nests as prescribed in the EPP.
23. The Licencee shall, during construction of the Development, discourage hunting and access near the Development.
24. The Licencee shall, during construction of the Development, minimize right-of-way clearing near water crossings, and confine construction activities to the cleared areas.
25. The Licencee shall, at the completion of construction, post wildlife crossing signs at both ends of the road.
26. The Licencee shall, during construction and operation of the Development, minimize impacts to surface drainage patterns, flows rates, and the function of wetlands.
27. The Licencee shall, during construction and operation of the Development, implement measures designed to minimize erosion and prevent the deposition of sediment into waterbodies.
28. The Licencee shall:
 - a) immediately following construction, revegetate erosion prone areas with a mixture of native plant species and/or where necessary for erosion control purposes, non-invasive grasses and herb mixtures; and
 - b) not exceed recommended amounts of nitrogen and phosphorous when fertilizing restored areas.
29. The Licencee shall construct and operate the start-up camp wastewater collection and disposal system in accordance with the Keeyask Infrastructure Project Environmental Assessment Report dated July 31, 2009, and additional information dated October 6, 2009, October 26, 2009, June 11, 2010, and

November 24, 2010, and in accordance with the specifications, limits, terms and conditions prescribed under Schedule A of this Licence.

30. The Licencee shall construct and operate the 2500-person construction camp wastewater collection system and sewage treatment plant in accordance with the Keeyask Infrastructure Project Environmental Assessment Report dated July 31, 2009, and additional information dated January 18, 2011 and January 24, 2011, and in accordance with the specifications, limits, terms and conditions prescribed under Schedule B of this Licence.
31. The Licencee shall obtain approval from the Director for any proposed alteration to this Development before proceeding with the alteration.
32. The Licencee shall, not later than six months following a decision not to proceed with construction of the Keeyask Generating Station, file a decommissioning plan for the Development for the approval of the Director. The plan shall report on the actions to be taken by the Licencee in decommissioning the Development, including the timing of decommissioning and the methods used to restrict access to the area.
33. The Licencee shall implement the plan approved by the Director pursuant to Clause 32 of this Licence. Implementation of the plan shall be carried out as described in the plan unless otherwise required or approved by the Director in writing.

REVIEW AND REVOCATION

- A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.
- B. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 11 of The Environment Act.
- C. If construction of the development has not commenced within five years of the date of this Licence, the Licence is revoked.



Tracey Braun, M.Sc.
Director
Environment Act