

Tony Godin - Post EA Questions and Xeneca Response - August 4, 2011

1. Are the Chute and 3rd Fall projects going to be as an integrated system for generating electricity? In your report it shows and says that the two plants must use the river flow as is without the use of reservoirs storage and this is why you are using the run of the river which integrate both projects.

No; the two projects are sufficient distance apart that they will not be operationally integrated. The operating plans are separate and we would expect each project will have its own Water Management Plan which may be part of / integrated into the overarching Mattagami Water Management Plan. Operational plans for The Chute are available for your review in the Waterpower Class EA and will be available upon issuance of the Third Falls Environmental Assessment. You may also wish to review the Frequently Asked Questions section on Xeneca's website where many of your questions have been answered.

2. Where was the sturgeon netting survey done? At what time and date, and what kind of net was used.?

In 2010, NRSI was informed through all available background information that Lake Sturgeon were not present within The Chute study limits and therefore did not conduct any specific field surveys to capture Lake Sturgeon. However, 2 trot lines were set on July 20, 2010 in an attempt to collect additional fish species. This method is appropriate to collect Lake Sturgeon and the lines were set in deep water habitats that would be preferred by Lake Sturgeon as holding areas. No Lake Sturgeon were collected. Based on anecdotal reports provided to NRSI late in 2010, Lake Sturgeon sampling and spawning surveys were conducted at Third Falls in an attempt to collect Lake Sturgeon or document evidence of spawning. Third Falls was selected for this sampling over The Chute as it was much closer in proximity to known Lake Sturgeon occurrence and offered near identical habitat opportunities. A total of 8 extra large, multi-filament gill nets were set on May 25-27, 2011. The duration of net efforts ranged between 16 hours and 45 minutes to 22 hours. No fish were collected. Numerous egg mats were set at the site between May 9-11, 2011, May 18-20 and between May 24-27. No sturgeon eggs were collected.

#3 a) Xeneca is saying that there is no sturgeons below the Chute due to the height of the falls below so how do you explain the sturgeon between the Upper fall and the Camus Fall on the Groundhog River? Everybody knows that the sturgeon is in good shape there.

As discussed in The Chute Natural Environment Characterization and Impact Assessment Report, all available background information indicated that the only formal documentation of Lake Sturgeon was from a site approximately 65km downstream of The Chute near the confluence with the Groundhog River. NRSI was informed by the public and MNR in late 2010 and 2011 that there were *anecdotal* reports of Lake Sturgeon being caught further upstream on the Ivanhoe River near the Chute. It was originally thought that the numerous significant falls and rapids between the Groundhog River and The Chute site would severely limit the potential for Lake Sturgeon to occur within the study area. NRSI has not received any direct confirmation of Lake Sturgeon occurring at the base of The Chute but have undertaken efforts to document Lake Sturgeon in the study area in 2011. NRSI has no available data or reports to inform discussions or comparisons between the Lake Sturgeon populations on the Groundhog River between the features the author mentions and the Ivanhoe River.

3. In all your reports there is no mention of the Wood turtle that we have in the immediate area and are also in the high endanger species.

The review of all available background information was conducted by NRSI. This review of information did not identify wood turtles as being present in The Chute study area.

4. You have yet to confirm and sign a paper saying that you will not touch or attempt to use the Ivanhoe Lake as a reservoir, also the water in the Ivanhoe Lake by any means by mitigations with the MNR or other Provincial ministries.

Xeneca has provided the Ivanhoe Lake Cottagers Association with an official declaration dated July 25, 2011 that we will not affect the water levels at Ivanhoe Lake. Furthermore, this has been reflected and addressed in the EA Report issued and we have indicated that the Chute project will have no impact (positive or negative). <Letter is attached.

5. Have you had a meeting with the Mattagami River water management because it is often mentioned along with the Groundhog and the Mattagami River which fall under the protection of the said organization.

Mattagami Water Management planning committee members have been in contact with Xeneca and some members have also attended public information meetings held by Xeneca in relation to the Chute Project. In the near future, the Mattagami Water Management Plan will be amended to incorporate the operational regime for the Chute GS, which will be based on information contained within the Class EA.

6. Your report also admits that the six years report for the Ivanhoe is too short for a true evaluation.

We are not certain of the nature of your question, however, if it is related to biological studies of the river and potential impacts (Positive and negative) to the river environs, Xeneca has committed to future studies that will provide baseline data on which to further assess and mitigate or avoid negative impacts.

7. You didn't show us any river landings and the report says that it will only be consider as mitigation measures. Are you planning for some and where are they?

Xeneca has committed to work with recreational users to ascertain how access to the site can be maintained and/ or enhanced. Among considerations are: upgrades to the existing boat launch area, parking areas for vehicles and boat trailers. Xeneca will work with the recreational fishing community, tourism operators and other interested parties to ensure

- a) impacts to fisheries are minimum;
- b) access to those fishing areas are not impeded; and
- c) to facilitate improvements to accessing the fishery and maximizing tourism potential.

8. Because of the "run of the river" system the water above the Chute could be store up to 40 hours and above. How will you control the heat generated by the stop of the flow?

Due to the small amount of storage in the headpond (a few hours at most flows), there is not enough residence time to significantly alter water temperatures. Further, any temporary storage would occur during nighttime hours when solar absorption is limited.

9. With the inundation of the river, how will you control the banks as they are eroding. This will have devastating effects on this river as so many animals big and small are using them for houses and forage of the plants and vegetation. With the decay of dead wood in the river banks will come the mercury and it terrible affects. How are you planning to justify this destruction?

The project will be operating as a modified run-of-river facility which allow for temporary storage of water. Xeneca has considered the potential for erosion and sediment transfer and will take steps to avoid or minimize impacts. The engineering review will consider these potential effects and measures will be incorporated into the Operating Plan which is now available in the EA. More than 90% of sediment transport in rivers occurs during high flows (spring freshet or rainfall flood flows.) In high flows, Obermeyer dam or spillway gates will be kept open. Therefore, the suspended sediment will flow to the downstream of the project. Xeneca has done potential riverbank erosion studies and will also study the reservoir sedimentation during the detail design phase.

10. How can you minimize the negative impact due to the up and down flow unless you build up a big pond reservoir which at the same time would also destroy the river?

River flow will be provided at all times to protect the aquatic habitat. Ecological flows have been determined through input from Regulatory Agencies and various stakeholders and based on biological studies which have been ongoing for the past two years. During the ecologically sensitive spring period, the facility will operated continuously (no intermittent operation.) During the remainder of the year, a small amount of flow will be provided over the spillway and through the powerhouse when the facility is not running. The total amount of water passed every day will equal the total amount of natural inflow. It should also be noted that Xeneca has committed to an operating regime that limits headpond fluctuation to 1 metre.

#11. Why did Xeneca planned all the public meeting outside of Timmins area and say that these projects will in return benefit this town. When asked about the meetings allocation, personnel from Xeneca replied that it was because the MNR had asked for it. But yet this report says that in fact the MNR gave an option to the proponent with a choice of Timmins or Chapleau and Xeneca used Chapleau because they very well knew that nobody would show up except two people that came from the Foleyet region.

The three Public Information Centres were held in communities in closest proximity to the proposed project and to local public interest groups. A meeting and project briefing was offered to be held in Timmins but declined.

12. Why is it when asked in Chapleau, when the next visit to the Chute would be, we were told perhaps in the next two weeks. Why weren't we told that at that exact moment there were two people working for Xeneca at the chute?

Please be advised that Natural Resource Solutions Inc. (NRSI) has been undertaking studies for Xeneca's projects at The Chute and Third Falls in both 2010 and 2011. NRSI conducted fish sampling (including River Index Netting (RIN)) under an OMNR Scientific Collectors Permit in both years. The 2010 data has been presented in The Chute Natural Environment Characterization and Impact Assessment Report. Data collected in 2011 is still being compiled and analyzed. Once the work has been completed we'd be pleased to share the results with you and any other interested parties.

13. How can Mr. Holmes justify saying that this project will stop power outages when the major blackout derive from broken trees on the lines? By adding more lines to the system it will only multiply the outages. In this report it also mention ice storms which, having been in the area over 45 years, I haven't seen one yet. Perhaps Mr. Holmes is thinking that Foleyet is in Quebec?

Ontario Independent Electricity System Operator (IESO) Ontario Power Authority (OPA) and other regulatory agencies concur that a move to move localized generation improves local energy reliability and reduces the need for long distance transmission. Reference to ice storms was in the context of causes for large system outages and was not specific to Foleyet.

14. How can Xeneca deal with the fact that this report admit that this project will cause 2 significant residual effects which affect walleyes and white suckers. This report also admits that the construction of this project will result in permanent alteration of very sensitive spawning habitats. It also says the need for a requirement for an authorization under section 35 of the fisheries act for the harmful alteration, disruption or destruction of fish habitats.

How is Xeneca prepared to deal with all this and is the MOE and MNR ready to let them ruin this river?

Please see response to question 9 regarding questions on erosion. Xeneca strives to minimize or avoid impacts and is cognizant that protection of endangered species and habitat is vitally important. It is Xeneca's intent to limit impact on fish habitat wherever possible and to enhance the existing spawning habitat in the proposed tailrace area. Due to the steep inclines, it is unlikely that upstream fish passage occurs at The Chute. Downstream fish passage is being contemplated in both project design and operation. On the regulatory side, be advised that a loss of fish habitat will require an authorization from the DFO. This authorization will require effective compensation for habitat losses incurred as a result of the undertaking. The project is being designed to ensure that spawning can continue to occur.

15. How will Xeneca repair the damage to the trapping industry as the erosion will put beaver houses underwater. There is an actual erosion that occurs in normal time but with this run of the river system, it will increase dramatically and shorelines vegetation will not have the time to regenerate. This will affect every living organism on this river and in extreme cases cause an increase in sediment load. This has also secondary effects on water turbidity and in aquatic conditions what plans does Xeneca have in their portfolio and background to eliminate these big problems and this must be address before this report is completed.

Xeneca response - NRSI and ED

Fluctuation in the headpond water levels will be approximately 1.0m at the dam and decrease further upstream. In the areas where the water level will fluctuate by 1.0m we anticipate that emergent vegetation will not be able to establish. These areas will remain as bare substrate. It is not anticipated that beaver will build dams in areas that experience this degree of water level fluctuation, however, there is abundant beaver habitat outside of the affected area so no discernable impact to beaver populations are expected at a landscape level.

16. How can Xeneca explain that this project has been nothing but a moving target. This is not a company that is transparent and where did you get expertise for building dams. Has Xeneca (itself) built one before under the same management? Do they have a good portfolio and where it is as this is a big deal when you enter a project of this kind?

Xeneca has a FIT contract with the province of Ontario to build The Chute GS. If you wish to learn more about our company and team members, please visit our website at www.xeneca.com. If you wish to learn more about how FIT contracts are awarded, please visit the OPA website at <http://fit.powerauthority.on.ca/>. It may also be noteworthy that there are no less than 16 government agencies with some level of oversight on these projects. As such, the public interest is well and thoroughly protected.

17. How is xeneca prepared to deal with these cumulative effects that will be created by these two projects?

Please refer to the Environmental Assessment that made available directly to you. Many of the mitigative or avoidance measures are covered in the document. Impact assessments will also be made available and further modifications may occur through the Ministry of Natural Resources Site release permitting and approval process which has yet to occur.

18. This report also says that due to the proposed head ponds depth and changes in the velocity of the water once the inundation is completed above the dam, it may no longer provide conditions that were previously good for the spawning of the walleyes and white suckers but omit to mention the speckles trout that are abundant in these waters. This report also mentions four additional areas that would be affected and are crucial to the continuum of all the fish species. How will Xeneca retro-fit this river so it will sustain life for living creatures of the water. Fish don't live on perhaps we can do this or that.

The effects report and mitigation plan are included in the report, Xeneca is working with DFO and MNR on the effects mitigation approaches and policies.

19. This Run of the river system which modifies the flow of the river at certain time of the day or night and with the combination of so many kilometers of inundation will render this river inaccessible to tourism, canoeists, naturalists and fishermen alike. By doing so how is Xeneca prepared to deal with this without forgetting the damage to the tourists that are already talking about not coming back to Foleyet area because the Ivanhoe wilderness is the one of the main reasons for making these long and costly trips?

Xeneca has been consistent and clear in stating that public access to the river will not be unduly impeded. Other than specific locations such as high voltage equipment and intake channels, access will remain or be enhanced. If portage routes or trails are affected, Xeneca requests input from affected stakeholders to avoid or mitigate the effect. And, as stated with the Waterpower Class EA, Xeneca will work with the recreational fishing community, tourism operators and other interested parties to ensure a) impacts to fisheries are minimum; b) access to those fishing areas are not impeded; and c) to facilitate improvements to accessing the fishery and maximizing tourism potential.

What will the bypass flow be during low flow seasons, if power is generated? We were told at the open house that water would always be flowing over the spillway.

Some flow (ecological flow; see Q7) will be provided at all times to protect the aquatic habitat. During the ecologically sensitive spring period, the facility will operated continuously (no intermittent operation.) During the remainder of the year,

a small amount of flow will be provided over the spillway and through the powerhouse when the facility is not running. The total amount of water passed every day will equal the total amount of natural inflow.

#20. This report also says that the impact of these projects will be remote and magnitude also low which would be reversible. The likelihood effect is to be medium and not significant! How can Xeneca purely justify all these comments and how will they sell it to US the public that want the truth.

Xeneca strives to attain Eco Logo certification on its projects. Certification by the third party, federally sanctioned certification process includes multiple criteria:

- Under 10 MW
- Minimal or no storage (less than 48 hrs)
- Minimal environmental impact (e.g. fish)
- Small physical and ecological footprint.

#21 Under the fisheries and ocean Canada, under the fisheries act 22,(2) .the act says that the design of the dam and /or other barriers must allow for the safe passage of both ascending and descending of migrating fish.

Xeneca is working with DFO to develop an effects/mitigation plan to comply with requirements of the Fisheries Act.

Also; under act 32 Authorization is required for the destruction of fish that is not caused by fishing.

Also; Under act 35(2) Authorization required for the alteration disruption, or destruction of fish habitat.

Also Under Environment Canada and the Migratory birds convention act. the act prohibits the disturbance ,destruction or taking of a nest ,egg, nest shelter ,eider duck or duck box of a migratory bird ,under the section 6 of the migratory bird regulation ,under the authority of the act, under section 5.1, and so forth

Xeneca is working with DFO to develop an effects/mitigation plan to comply with requirements of the Fisheries Act.

Last a public petition signed by people of the Porcupine area, Sudbury and surrounding and also from tourists from the United states of America their disapproval of these Ivanhoe river projects

Thank you for your input into the Waterpower Class EA process through which all comments and questions will be considered and addressed.