

Hugh Currie - Post EA Questions - Foleyet Chamber of Commerce - August 15, 2011

The Chamber of Commerce has a list of questions that concern the local businesses and residents.

1. What will be the tangible economic outcome for the community of Foleyet if and when this dam is built?

Approximate economic activity (direct) to build in Ontario is \$5 million per megawatt, about half of which is spent locally procuring everything from consulting and legal services to concrete, steel, trucking and other services such as hotels, restaurant and fuel.

Direct job creation (construction only) 10,000 person hours per MW. Indirect jobs multiply by 1.5.

Local/Regional economic boost of \$2.5 million per MW - about \$9 million.

First Nations and non aboriginal community participation incentives. For overview see Xeneca Website.

Significant return to the people of Ontario with Gross Revenue Charges, taxes and fees paid throughout the 40 year lifespan of the project

May assist mining companies or local industry by providing more reliable power with some potential cost savings.

Clean, renewable energy. At 3.6 MW the Chute generates enough electricity to power 1129 homes and offset the burning of 14 million tonnes of coal.

Waterpower lasts... Many power plants built in the early 1900s are still in operation and with regular maintenance and upgrades can last for generations to come. In comparison the life span for other sources of clean power are: Nuclear 40 years, Wind 20 years, Solar 20 years.

2. Will local residents as well as First Nations have first priority to be employed as construction workers even if they have to be trained, and will this training take place in Foleyet?

Xeneca firmly believes in providing benefit to the communities (Aboriginal and non aboriginal) that are in proximity to the project. Where local goods and services can be acquired that meet standards and are market competitive in cost, Xeneca will make every effort to give preference to local providers. This approach applies to local labor which may be hired by the contractors undertaking the construction.

3. Will office space be required with Internet hook up and would this space be rented in Foleyet?

This element of development has not yet been determined, but, should the need arise, Xeneca would be pleased to consider Foleyet.

4. Will construction workers be housed in Foleyet or surrounding area?

This element of development has not yet been determined, but, should the need arise, Xeneca would be pleased to consider Foleyet.

5. Will fuel and food be purchased locally in Foleyet?

Yes.

6. Will local timber and construction companies based in Foleyet be awarded timber harvesting for transmission lines and road construction and maintenance?

Xeneca firmly believes in providing benefit to the communities (Aboriginal and non aboriginal) that are in proximity to the project. Where local goods and services can be acquired that meet standards and are market competitive in cost, Xeneca will make

- every effort to give preference to local providers. Further, with respect to timber harvesting, the first right of refusal would go to the Sustainable Forest Licence holder.
7. How many of the 40,000 man hours estimated to build the facility will be dedicated to the residents of Foleyet and First Nations?
Please see response to questions 2 and 6
 8. How much of the 18 million dollars that is to be spent on this project will actually be spent in Foleyet? Please quantify this.
At this juncture it would be difficult to quantify because it is unknown which services are available in Foleyet. As stated above, it is Xeneca's preference to procure goods and services locally.
 9. Do dead lines and penalties over ride the Eco system of the river? An example of this is the tight time lines that were available to examine the EA.
Protection of the environment is vital to the award of required permits and approvals. As such, the environment trumps imposed deadlines. With respect to the review period for the Class EA, it may be noteworthy that the formal process requires only 30 days review. Xeneca has responded to concerns and voluntarily doubled the review period to 60 days.
 10. Why are we still producing electricity with coal and selling it to the United States when we have a surplus of hydro?
Coal fired generation of electricity is to be phased out of Ontario by 2014. This generation capacity is to be replaced by renewable energy sources such as hydro electric.
 11. Who is financing the construction of these dams - the Ontario government, private investors, or Xeneca?
Financing of Xeneca's projects is through private investors.
 12. Who is going to pay for the extra cost under the FIT program? With \$.12 for regular power and \$.185 for peak power guaranteed for 40 years. There is a considerable price difference between what we pay and what Xeneca will receive. Who is going to pay this difference?
The price offered to Xeneca under contract is mixed in with all other sources of generation, including heritage assets that generate at 3 cents per kWh or in some cases less. The mix of both old and new nuclear, gas, biomass, wind, solar etc. will ultimately determine consumer cost. It may noteworthy that while 12 to 18 cents per kWh may seem expensive today, it may seem quite a bargain in 20 years and beyond. Xeneca's contract is for 40 years.
 13. Does 14 million tons of coal actually produce 3.6 mw of power to supply 1,129 homes?
That is the amount of coal it would take to generate electricity for 1,129 home for a year.
 14. The 2 million in tax revenue to the local government and province over 40 years does not make sense; is that 2 million per year or 2 million over the life of the contract? This is not made clear in the EA and is a small amount of revenue to pay for loss of the Eco system.
Over the 40 year lifespan of the contract the return to the people of Ontario would be about \$5 million per MW or approximately 2\$ million.

15. At this point in time, there doesn't seem to be any additional support and improvement in the EA for Recreation and Tourism lost because of the construction of this dam.
With respect to your comments regarding the fishery at The Chute, please know that Xeneca understands and fully appreciates the vital need to protect our precious resources and ensure that recreational use of the area is not unduly compromised.

As you will see in the Waterpower Class EA, posted on our website at www.xeneca.com, Xeneca has hired a third party independent biology consulting firm, Natural Resource Solutions Inc. (NRSI) which has conducted exhaustive studies of The Chute environs. The studies have clearly defined the fish communities present at the site as well as identified spawning and staging areas.

We have also heard from numerous stakeholders who use the area for recreational pursuits such as fishing, canoeing, hiking, etc. and Xeneca has publicly committed to improving access i.e. rebuild the boat launch, improve roads, create parking and rest areas and maintain or improve portage routes. These commitments can also be found in the Class EA documentation and further elaboration will be available as we engage in detailed design.

If you have suggestions for other improvements, please forward them to us as soon as possible so they may be considered for inclusion in the Class EA.