

**Statement of Wayne Schroeder, INCO Thompson Manitoba**

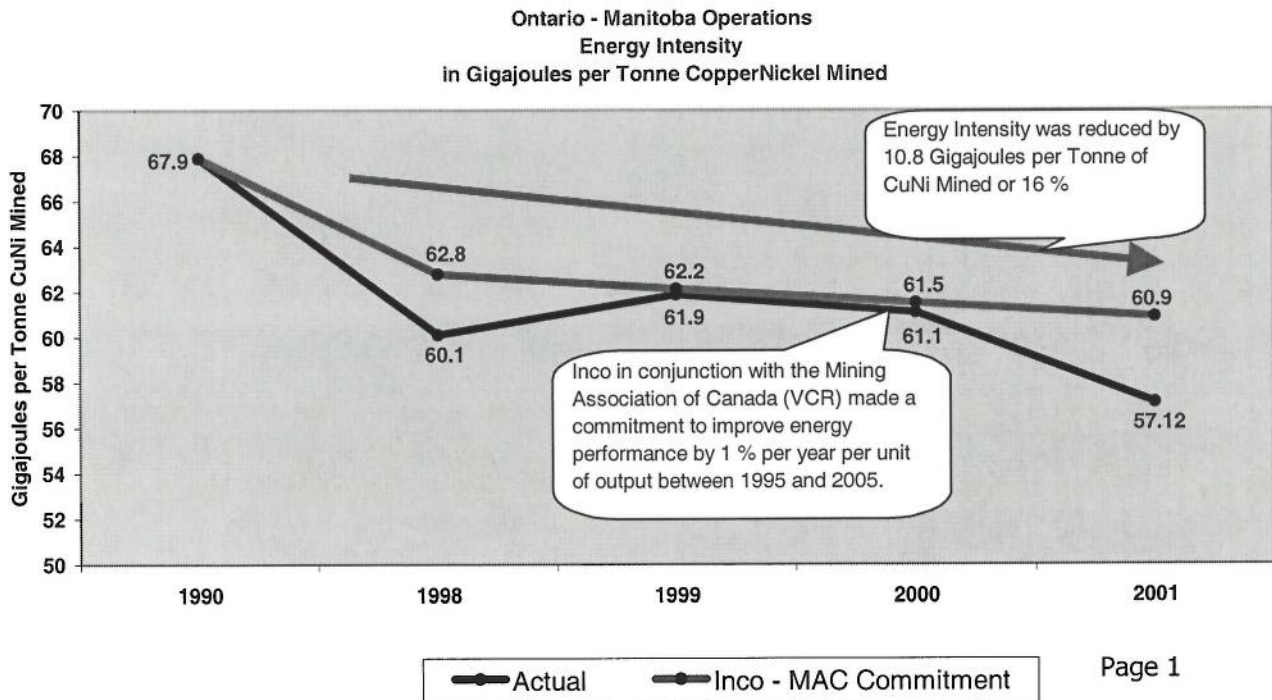
**To the Clean Environment Commission Regarding the Wuskwatim Generation and  
 Transmission Projects Application**

Mr. Chairman and members of the Commission.

My name is Wayne Schroeder and I am Chief Power Engineer at Inco in Thompson. I would like to thank you for this opportunity to address you today.

Inco in Thompson is a nickel mine and finished nickel processing facility. The raw material is fully processed here in the North. We employ 1500 people directly in Thompson, and are located north of the 55<sup>th</sup> parallel. Inco produces more than 100 million pounds per year of Nickel/Copper. We have made substantial long-term investments in Manitoba and view stability and predictability as key to our operations. We add value to a Manitoba resource for shipment around the world strengthening the local, Provincial and Federal economies.

Our submission is not of a technical nature but one of an entity that will be affected by the



development and as such an interested party.

Inco is aware of, and involved in, the conservation of resources including energy. We participate in the Voluntary Challenge Registry (VCR). Mining companies overall have committed through the VCR to a 1% per year reduction on a per unit basis from 1995 to 2005. For our energy reduction and management efforts Inco is a 2003 VCR gold medal winner for the fourth year in a row.

One of the methods we use to reduce our energy footprint is called Demand Side Management (DSM). Our internal DSM program is used to co-ordinate load management , this attempts to shift load to reduce peaks and valleys to flatten our demand load. Another method we use for energy management is Manitoba Hydro's Power Smart program; Inco is the largest industrial user of the Power Smart program and it is a part of our energy reduction efforts. Internally we are currently running an energy conservation program called "Power Play". Inco actively participates in varied energy conservation initiatives.

We at Inco participate in a local environmental liaison committee to involve local residents in partnership to address community environmental concerns. In today's world the environment is an integral part of doing business as evidenced by just a few of our activities mentioned.

Inco in Thompson supplies the potable water for the City of Thompson; it is a public trust we take very seriously. This responsibility places us in a unique position with respect to the water resources of the Burntwood River system and the quality of that water. My department operates the Water Treatment Plant; I am aware of no issues at this time that would compromise the operation of the plant from the proposed project.

I want to state that based on our brief review, INCO is supportive of the proposed Wuskwatim development. The project appears likely to provide long-term benefits to northern residents and to the stability of the generation system overall. The risks appear to be manageable, and we expect that Manitoba Hydro will manage them, under the watchful eye of the CEC and the PUB.

Enhancing other supply options, such as demand-side management and non-utility generation, does not detract from the opportunity that Wuskwatim can provide to domestic ratepayers.

Past projects have seen most if not all of the benefits flow to the south, leaving northern residents out of the economic gains afforded to the south. The difference in the standard of living north to south is largely a result of economic opportunity. There are few legitimate ways to sustainably develop long-term jobs and revenue in the north. This is particularly true of remote first nations communities who with this project have the opportunity as full partners (should they choose to participate). This would strengthen the northern economy and provide meaningful employment and economic stability to local residents.

This commission needs to balance the interests of many parties, a difficult job. I am a long-term resident of the north, like most Inco employees, my children and I breathe this air, drink the water, and swim in the lakes. We hike, fish, work and live here and will in the end be the people whose environment is impacted or not impacted (all the northern residents). Many people have come thousands of miles to try and impact our future, I would urge this commission to give the largest weight to the testimony of northern residents (for and against). Few projects have as big an opportunity for meaningful northern development, with as few new impacts. Were it not to be built the demand for electricity that will be served by this new generation will turn to coal, fossil fuel, and nuclear power in other jurisdictions that will replace the clean power this project could provide.

Inco has not done an economic evaluation of this project, that is a different forum, we however see this project as a benefit to the Manitoba economy overall. It is a benefit to the northern economy and to the people residing in the north. Allowing that the project is rate neutral or better it seems to be worthwhile project for the people of the north.