

APR 29 2003



MINISTER OF CONSERVATION

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

EXHIBIT NUMBER: CFC 1000
File Name: Wuskwatim
Date: March 1, 2004
Received by: R. S. T.
(Commission Secretary)

APR 25

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Mr. Terry Duguid
Chairman
Manitoba Clean Environment Commission
Room 305 - 155 Carlton Street
Winnipeg MB R3C 3H8

Dear Mr. Duguid:

The Environmental Approvals Branch of my department is in the final review stage of the Environment Act Proposals from Manitoba Hydro for the proposed Wuskwatim Generating Station and associated transmission facilities (Wuskwatim Proposals).

A copy of the Terms of Reference for the public hearing is enclosed. If possible, the report on the hearing should be submitted to me on or before December 1, 2003.

Mr. Larry Strachan, Director of the Environmental Approvals Branch will coordinate department participation in the hearing.

Yours sincerely,

Steve Ashton
Minister of Conservation

Enclosure

c. W. Everett
N. Linklater

Terms of Reference

Clean Environment Commission Public Hearing on the Manitoba Hydro Wuskwatim Proposals

BACKGROUND

On December 7, 2001, Manitoba Conservation received separate Environment Act Proposals from Manitoba Hydro respecting the proposed Wuskwatim Generating Station and associated transmission facilities (Wuskwatim Proposals). A cooperative provincial/federal review of the proposals is underway in accordance with the *Canada-Manitoba Agreement on Environmental Assessment Cooperation*. The review includes the preparation of an Environmental Impact Statement in accordance with Guidelines prepared by Manitoba and Canada and finalized after a public consultation process led by the Clean Environment Commission. As well, a Comprehensive Study Report prepared pursuant to the requirements of the *Canadian Environmental Assessment Act* will be prepared. It was also decided that the review would include a public hearing of the Clean Environment Commission (the Commission).

MANDATE OF THE HEARINGS

The Commission shall conduct an integrated public hearing, in appropriate locations in Winnipeg and Northern Manitoba as determined by the Commission, to consider:

- Firstly, the justification, need for and alternatives to the Wuskwatim Proposals; and
- Secondly, the potential environmental, socio-economic and cultural effects, of the construction and operation of the Wuskwatim Proposals.

The Commission shall conduct the hearing in general accordance with its *Process Guidelines Respecting Public Hearings* which include procedures for Pre-Hearing Meetings or Conferences and Proprietary Information.

Following the public hearing the Commission shall provide a report to the Minister of Conservation pursuant to Section 7(3) of *The Environment Act*.

The Commission may, at any time, request that the Minister of Conservation review or clarify these Terms of Reference.

SCOPE OF THE REVIEW

For the justification, need for and alternatives to the Wuskwatim Proposals component of the hearing, the Commission shall:

- Consider whether all alternative resource options have been considered and whether the Wuskwatim Proposals have been selected on reasonable grounds, including economic viability as an export market driven project and relevant technical factors. The review of economic viability shall consider the Wuskwatim Proposals in their entirety.

- Include the effect, if any, of the Wuskwatim Proposals on Manitoba Hydro customer rates and the Corporation's financial stability. The partnership between the Nisichawayasihk Cree Nation and Manitoba Hydro and the associated arrangements for such partnership are to be described to the degree such information is required to understand the financial analysis.
- Give consideration, at a conceptual level, to the environmental, socio-economic and cultural effects of the Wuskwatim Proposals relative to available alternative resources.
- Consider Manitoba Hydro's electricity generation capability, market prospects and risks as they pertain to the Wuskwatim Proposals including:
 - load growth in export jurisdictions;
 - energy supply situation in the export jurisdictions; and
 - energy pricing trends and industry restructuring.

For the potential environmental, socio-economic, and cultural effects of the Wuskwatim Proposals component of the hearing, the Commission shall consider the Environmental Impact Statement, and public concerns, and with consideration of the evidence received on the justification, need for, and alternatives to the Wuskwatim Proposals, provide a recommendation on:

- Whether Environment Act Licences should be issued to Manitoba Hydro for the Wuskwatim Proposals.

Should the Commission recommend the issuance of Environment Act Licences for the Wuskwatim Proposals, then appropriate recommendations should be provided respecting:

- Measures proposed to mitigate any adverse environmental, socio-economic, and cultural effects resulting from the Wuskwatim Proposals and where appropriate, to manage any residual adverse effects; and
- Future monitoring and research that may be recommended in relation to the Wuskwatim Proposals.

The Clean Environment Commission's recommendations shall incorporate, consider and directly reflect, where appropriate, the Principles of Sustainable Development and Guidelines for Sustainable Development as contained in *Sustainable Development Strategy for Manitoba*.