

The Mackenzie Valley Review Board approves Dezé Energy Corporation Ltd.'s proposed Taltson Hydroelectric Expansion Project

YELLOWKNIFE – On August 6th, 2010, the Mackenzie Valley Environmental Impact Review Board (Review Board) submitted its *Report of Environmental Assessment* on the proposed Dezé Energy Corporation Ltd.'s (Dezé Energy) Taltson Hydroelectric Expansion Project to the Honourable Chuck Strahl, Minister of Indian Affairs and Northern Development. Dezé proposes to expand the power-generating capacity of the existing generating facility at Twin Gorges.

The Review Board recommends, under subparagraph 128(1)(b)(ii) of the *Mackenzie Valley Resource Management Act*, that the project be approved subject to the measures described in the *Report of Environmental Assessment*. The measures are necessary to prevent significant adverse impacts without sacrificing the environmental, social and economic benefits of this project. The project will proceed to the regulatory process once the Minister accepts the report.

To make its decision, the Review Board has relied upon all the information on the Public Record. In the Board's opinion, the proposed project is likely to cause significant adverse impacts to caribou, to the ecosystem of Trudel Creek, and to the culture of the Łutsël K'e Dene First Nation. The Board's measures to mitigate these impacts will prevent new hunting access to caribou, increase water flow bypass at Twin Gorges, prevent the transmission line from crossing the Lockhart River, and require Dezé Energy Corporation Ltd. to create an advisory routing committee.

About the Review Board

The Mackenzie Valley Environmental Impact Review Board was established by the *Mackenzie Valley Resource Management Act* in 1998 as an independent administrative tribunal responsible for the environmental impact assessment process in the Mackenzie Valley, Northwest Territories. As a co-management board, half of the board members are by aboriginal land claim organizations and half are nominated by the federal and territorial governments. All are appointed by the Minister of Indian and Northern Affairs.

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Summary of the Review Board's reasons for decision and measures

Dezé Energy Corporation's Taltson Hydroelectric Expansion Project proposes to improve the existing dam at Nonacho Lake, build new water control structures at Nonacho Lake and Twin Gorges, and build a hydroelectric power plant 210 kilometres downstream of Nonacho Lake at Twin Gorges near the existing hydro plant which will add between 36 to 56 megawatts of power-generating capacity. The project also proposes to re-clear the 70-kilometre existing winter road from Fort Smith to Twin Gorges, build a new 215-kilometre winter road to from Twin Gorges to Nonacho Lake and construct a 690-kilometre transmission line from Twin Gorges across the Lockhart River, around the east end of Great Slave Lake and across the tundra to the diamond mines.

The Review Board has heard from First Nations, Métis organizations, community members, Elders, government organizations, cabin owners, ecotourism and fish camp operators, and members of the public. They raised many issues including changes to Nonacho Lake, changes to fish and wildlife habitat on the Trudel Creek river system, possible impacts to fish from sudden flows of water near the proposed power plant, possible impacts to caribou, and cultural and visual impacts from the transmission line route across the Lockhart River and through the proposed East Arm National Park.

The proposed winter road from Fort Smith may increase access by hunters, using both trucks and snowmobiles, to areas that have been used by the Bathurst, Ahiak and Beverly caribou herds. Because of the current weakened condition of the caribou herds, and because increased hunting access can have a significant negative impact on the herds, the Review Board has provided measures to prevent this access.

The project will cause ramping events – sudden, big changes in the flow and water level from mechanical failures or from periodic planned maintenance of the turbines - which will cause changes in the Trudel Creek river system. The Review Board considers these ramping events, as predicted by Dézé, to likely cause harm to wetlands and wildlife in the Trudel Creek river system over the life of the project.

To reduce these impacts, the Review Board's measure requires Dézé to increase bypass capacity at Twin Gorges, so that when the turbines are not working water can spill around the turbines instead of into the Trudel Creek river system. Dézé is to monitor wildlife and wetland re-establishment in the Trudel Creek river system to learn how to improve project operations to reduce changes to the river system.

The people of Łutsël K'e feel that a transmission line across the Lockhart River, which includes their most sacred site, Old Lady of the Falls, is not compatible with the Aboriginal spiritual values they hold. The Review Board agrees that the project as proposed is likely to cause significant adverse

cultural impacts. To prevent this, the Board's measure prevents the transmission line from crossing the Lockhart River without the consent of LKDFN.

The Review Board heard concerns from Department of Fisheries and Oceans (DFO) and Nonacho Lake Fishing Camp that, although the project does not require new flooding, it would cause water levels to rise and fall in Nonacho Lake and would stop water from flowing through the Tronka Chua gap as does now. Based on the evidence, the Review Board is satisfied that the changes to Nonacho Lake are not likely to cause significant adverse impacts to fish if DFO considers the results of the fish and fish habitat studies proposed by Dezé when carrying out its duties.

The Review Board considers that the transmission line towers are likely to cause impacts to wilderness values in the proposed East Arm National Park, and possible impacts to the viewscape for area property and lodge owners. The Review Board notes that Dezé is willing to reduce or avoid visual impacts by changing tower design and layout, and has offered to run cable underwater for short distances, if necessary. The Review Board's measure requires Dezé to create a routing committee to advise on how to identify local sensitive areas and on other options to avoid or reduce impacts. The Board feels this will also help Dezé avoid other cultural sites, and will prevent significant adverse cultural impacts beyond the Lockhart River area.

In terms of social and economic effects, the impacts on the Nonacho Lake Fishing Camp are largely dealt with by Dezé's commitments and by the Review Board's other measures. The Review Board accepts Dezé's evidence that the project is likely to cause important social and economic benefits for Aboriginal communities in the South Slave, Akaitcho First Nations and NWT Métis Nation, and for the NWT as a whole.

The Review Board accepts Dezé's predictions that this project, a renewable resource development that builds on existing infrastructure, is likely to make a substantial reduction to greenhouse gas emissions from the diamond mines, which Dezé says are the primary customers for the electrical power and which are the biggest industrial projects in the NWT. This is an important environmental benefit of this project.

The Review Board concludes that this project is likely to lead to improved social and economic benefits while reducing greenhouse gas emissions in the NWT.