



Indian and Northern
Affairs Canada

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Yellowknife, NT X1A 2R3

File: EA0708-007
Dezé Energy Corporation

November 30, 2009

Tawanis Testart
Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
Box 938
Yellowknife, NT X1A 2N7

VIA EMAIL

Dear Ms. Testart

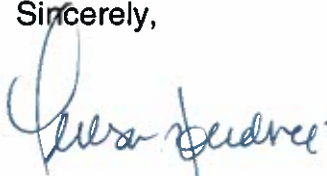
**Re: Dezé Energy Corporation - Taltson Hydroelectric Expansion Project-
Draft Environmental Monitoring Program and Follow-up to Technical
Sessions**

Indian and Northern Affairs Canada (INAC) is pleased to provide the following review comments for the Dezé Energy Corporation's Taltson Hydroelectric Expansion Project to the Mackenzie Valley Environmental Impact Review Board (Review Board).

INAC has reviewed Dezé's October 2009 Draft Environmental Monitoring Program (EMP), Dezé's responses to INAC's Information Requests at and following the Technical Sessions, and Dezé's October 2009 list of commitments. At this time, INAC is providing comments on the Draft EMP only. INAC will provide further information and recommendations, including any required discussion of the Information Request responses, in its technical report and hearing submission. In separate correspondence, INAC has provided the Review Board with a copy of the "Guidelines for Designing and Implementing Aquatic Effects Monitoring Programs for Development Projects in the Northwest Territories, June 2009" for placement on the public registry for this environmental assessment.

INAC plans to continue corresponding with the Review Board staff and the Dezé Energy Corporation to resolve any outstanding technical issues. INAC will document any relevant results of these discussions for the public registry. If you have general questions about these comments, please contact Lionel Marcinkoski/Erica Bonhomme in Environment and Conservation at 867-669-2591 or via email at Lionel.Marcinkoski@inac.gc.ca/ Erica.Bonhomme@inac.gc.ca. If you have any questions specific to the comments on the Draft EMP, please contact Nathen Richea at (867) 669-2657 or Nathen.Richea@inac-ainc.gc.ca

Sincerely,

A handwritten signature in blue ink, appearing to read "Teresa Joudrie".

Teresa Joudrie
Director, Renewable Resources and Environment

**Dezé Energy Corporation - Taltson Hydroelectric Expansion Project
EA0708-007**

**Indian and Northern Affairs Canada Comments on
Draft Environmental Monitoring Program**

Dezé should be commended for preparing a Draft Environmental Monitoring Program as part of the Environmental Assessment process for the proposed Taltson Hydro Expansion Project. The submission indicates Dézé's commitment to monitoring and assessing potential effects from the proposed hydro expansion. Although the plan is draft it forms a preliminary basis for monitoring programs that may help inform reviewers and decision makers on the success or failure of mitigation measures which are to be implemented during construction. The programs are also intended to identify any need for adaptive management during operations.

Indian and Northern Affairs Canada (INAC) has recently released "Guidelines for Designing and Implementing Aquatic Effects Monitoring Programs for Development Projects in the Northwest Territories, June 2009". These guidelines are intended to assist proponents in Aquatic Effects Monitoring Program (AEMP) preparation by outlining major steps in the development process. INAC has previously provided Dézé with a copy of this document and notes that Dézé has completed some of the steps in developing an AEMP. INAC anticipates that the AEMP Guidelines will be helpful as Dézé works to complete its specific aquatic monitoring program(s). In an attempt to help strengthen and focus the final monitoring program(s), INAC has provided some general comments on Dézé's Draft EMP below.

INAC has identified five general concerns with the Draft EMP:

- 1) The document does not identify the Valued Ecosystem Components (VEC) for the project. The VEC's should be identified/restated in the EMP to further development pathways and potential linkages to assist in the development of the monitoring program(s).
- 2) The document does not clearly indicate the predicted effect of the project on these VEC's. There is some mention of pathways in the document but the linkage between the expansion project VEC's and proposed monitoring is not entirely clear in some cases.
- 3) The document does not clearly distinguish between monitoring to be conducted under a Surveillance Network Program (SNP) Monitoring (e.g. during dam construction and blasting activities,

waste storage, camp waste treatment, etc.) and Effects Monitoring (e.g. water quantity and quality, aquatic monitoring, wildlife monitoring, etc.).

- 4) The document does not clearly identify a Monitoring Plan Framework (i.e. Analytical Approach) or Design (e.g. Control-Impact, before after Control-Impact, etc.). INAC understands that a different framework and or design may be applied to different monitoring components (e.g. aquatic, wildlife and terrestrial).
- 5) The document does not outline adaptive management in any tangible way. The Draft EMP references the need for adaptive management but does not describe any particular aspect of the proposed adaptive management process. Without a framework for adaptive management, monitoring results may not be effectively used in managing the project.

INAC offers the following feedback on the document which may assist the company in focusing and further developing its monitoring program(s) as the project proceeds through the environmental assessment and regulatory process. These observations and recommendations are intended to help Dezé prepare the Taltson Hydroelectric Expansion Project for regulatory licensing:

- Similar to the existing SNP requirements for the Taltson Hydro project, water level and quantity monitoring will be required for the project (i.e. SNP and Annual Reporting). This information may feed into the Effects Monitoring and Reporting which will likely be specified during the regulatory phase in the water licence.
- Water quality monitoring during construction and operation will likely be different as the majority of impacts will occur during the construction phase. Ongoing monitoring of erosion, suspended sediments and dissolved oxygen will likely be required.
- Monitoring of camp waste, waste storage and waste discharge will typically be handled under the water licence SNP.
- Aquatic and Wildlife Monitoring are typically Effects Monitoring programs which are used to determine impacts on the environment from the project. These programs and their results must be used to assist in determining the effectiveness of mitigation measures and the need for adaptive management.
- It is important to know 'why' monitoring is being conducted and that the monitoring program can be designed to address potential unplanned non-compliance events.

- The monitoring program should be sufficiently robust to detect effects.

If deficiencies and data gaps are identified prior to construction it may impact on the success of any subsequent monitoring programs. It is important that pre-construction data collection programs are comprehensive and efficient. INAC is prepared to assist Dezé in developing a plan to collect the necessary data to fill such data gaps.

INAC is pleased that Dezé has welcomed feedback on its Draft EMP and hopes that the above comments help Dezé to further refine its proposed monitoring program(s). It is important to note Dezé has initiated a very important step in the overall assessment and regulatory phases of the application process. INAC is available to discuss the above comments with Dezé and work together to further develop and refine the proposed monitoring program(s). The contact for such any discussions is Nathen Richea, at (867) 669-2657 or Nathen.Richea@inac-ainc.gc.ca.