



Indian and Northern
Affairs Canada

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et du Nord Canada

Environment & Conservation
Box 1500
YELLOWKNIFE NT X1A 2R3

February 18, 2010

MVEIRB File Number: EA0708-007

Alan Ehrlich, Senior Environmental Assessment Officer
c/o Martin Haefele, Manager of Environmental Assessment
Mackenzie Valley Environmental Impact Review Board
P.O. BOX 938
YELLOWKNIFE NT X1A 2N7

VIA EMAIL

Dear Mssrs. Ehrlich and Haefele:

**Re: Taltson Hydroelectric Expansion Environmental Assessment
Adjustments to Transmission Line Route**

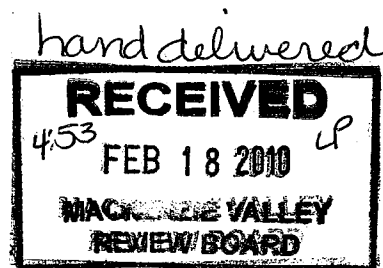
Thank you for the opportunity to comment on Dezé Energy's January 26, 2010 letter presenting a conceptual outline of an adjustment to the proposed transmission line route. Based on the currently available information, Indian and Northern Affairs Canada (INAC) is not changing any of its technical recommendations, as set out in the department's December 11, 2009 technical report. We understand that other government parties are intending to comment on new impacts that may result from the proposed route adjustment.

INAC has identified a number of questions and concerns about the Review Board's current process, which are set out below. We have discussed these concerns with the other government parties and understand that they will also be commenting on the process.

I. Need for clarity on scope of development being assessed

In its January 26, 2010 letter to the Review Board, Dezé presented a conceptual outline of an adjustment to the proposed transmission line route. INAC is unclear as to whether Dezé has definitely decided against crossing the Lockhart River and is unclear as to how seriously Dezé is pursuing the "Reliance option." In INAC's view, the development being assessed by the Review Board must be clearly defined before the public registry closes and before the Review Board proceeds to the deliberations phase of the environmental assessment. A clear definition of the development will help ensure that the accompanying input by parties and interested members of the public and the assessment by the Review Board reflects whether the Reliance routing is part of "the development" or is a "development alternative."

Recommendation: INAC recommends that the Review Board ask the developer to provide a definite indication of the preferred route for the proposed development.



II. Need for complete assessment of potential impacts of and public concern about new development

The purpose of an environmental assessment process under the *Mackenzie Valley Resource Management Act* is “to ensure that the impact on the environment of proposed developments receives careful consideration before actions are taken in connection with them” (114.(b)) and “to ensure that the concerns of aboriginal people and the general public are taken into account in that process” (114.(c)). INAC suggests that the Review Board ensure that there is adequate time and process provided to allow for full consideration of potential significant adverse impacts and public concern resulting from the potential route adjustment, prior to making any determination under Section 128.

The Review Board has provided a relatively short period for newly affected groups and individuals to become familiar with the development and express their views on it. This timeline was further shortened by Dezé’s provision of new information posted to the public registry Friday, February 12.

In addition, in its January 26, 2010 letter to the Review Board, Dezé states that it understands it will have an opportunity to respond to comments on the potential route adjustment that are provided to the Review Board before the public registry is closed. The January 29, 2010 public notice from the Review Board, however, states that the public registry will close on February 18, 2010. If Dezé is expecting to be able to respond to comments and is not able to do so, INAC is concerned that the Review Board may not obtain all the information needed for a complete assessment of the proposed development.

Recommendation: INAC recommends that the Review Board leave the public record open past February 18, 2010, to allow adequate time for all parties and other affected groups and individuals to consider the potential route adjustment, pose questions to the developer, and obtain answers relating to predicted impacts and mitigations.

III. Need for evidence of developer’s efforts to engage with and consult affected groups and individuals

Best practice in environmental impact assessment suggests that the developer discuss its project and predicted impacts directly with all affected groups and individuals. Dezé has not filed with the Review Board’s public registry any evidence of its attempts to contact parties to the environmental assessment or any newly affected groups and individuals with respect to the potential route adjustment. In the interests of a fair, transparent, and efficient environmental assessment process, INAC would prefer that Dezé initiate such consultation and engagement before the public registry closes. Direct interaction between the developer and affected groups and individuals at an early stage can contribute to more timely completion of the remainder of the environmental assessment process. In addition, the engagement and consultation conducted by developers may be taken into account when the Crown is assessing consultation obligations.

Recommendation: INAC recommends that the Review Board ask the developer to provide evidence of its efforts to engage with and consult groups and individuals, including Aboriginal groups and individuals, concerning the potential route adjustment.

IV. Need for evidence of Review Board efforts to notify all potentially affected Aboriginal groups

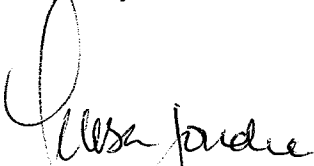
As part of the Crown's consultation assessment, INAC and the other Responsible Ministers must confirm that all Aboriginal peoples with established or potential Aboriginal and treaty rights that might be adversely affected by the proposed development have been properly notified about the environmental assessment. INAC commends the Review Board's efforts to contact leaseholders and other interested parties in the Reliance area, and notes that the Review Board has advertised the potential route adjustment and public comment period in local newspapers.

Staff from the Athabasca Denesuline contacted INAC staff the week of February 1, 2010 expressing concerns about the proposed Taltson Hydroelectric expansion. INAC staff advised the Athabasca Denesuline via email to contact the Review Board immediately and provided the Athabasca Denesuline with Review Board contact information as well as a copy of Dezé's January 26, 2010 letter concerning the potential route adjustment.

Recommendation: INAC recommends that the Review Board review its October 17, 2007 Taltson distribution list and ensure that it has informed all potentially affected Aboriginal groups about the potential route adjustment. In addition to those Aboriginal groups with party status for the environmental assessment, the Review Board should particularly ensure that the Tlicho Government, the Northwest Territory Métis Nation, the Fort Smith Métis Local, the Hay River Métis Council, and the Athabasca Denesuline are aware of the potential change to the development and the Review Board's process to solicit comments on the potential route change.

If you have any questions about these comments, please do not hesitate to contact Lorraine Seale at (867) 669-2590 or Lionel Marcinkoski at (867) 669-2591.

Sincerely,

A handwritten signature in black ink, appearing to read 'Teresa Joudrie', written in a cursive style.

Teresa Joudrie
Director, Renewable Resources and Environment