



October 9, 2015

Mr. Chuck Hubert
Senior Environmental Assessment Officer
Mackenzie Valley Environmental Impact Review Board
PO Box 938
Yellowknife, NT X1A 2P1
VIA EMAIL

Dear Mr. Hubert;

Dominion Diamond Ekati Corporation Jay Project Environmental Assessment (EA1314-01) – response to undertaking #10

Please find attached the GNWT's response to undertaking number #10, relating to compromises or trade-offs that would offset the 3.9% decline to the herd productivity due to cumulative effects associated with the Jay project.

Should MVEIRB have any questions, please contact Lorraine Seale, Manager, Project Assessment Branch (Lorraine_Seale@gov.nt.ca) or Melissa Pink, Project Assessment Analyst (melissa_pink@gov.nt.ca).

Sincerely,

Darha Phillipot
A/Director
Land Use and Sustainability

Attachment: Response to undertaking #10



GNWT will provide information to the Review Board commenting on the compromises or trade-offs that would offset the 3.9% decline to the herd productivity due to cumulative effects associated with the Jay project (as referenced in DAR Table 15.5).

GNWT understands that the 3.9% metric referred to in the question was a decrease to calf survival (IR Response DAR-MVEIRB-15) in the future foreseeable development scenario that included Jay as modelled in DDEC's DAR. It represents a modelled estimate of potential cumulative impacts to the herd associated with development including Jay *before* mitigation at either Jay or any of the other future developments. As such, the first suite of trade-offs or compromises related to development that would come in to play would be in the form of costs to industry to mitigate the impacts to caribou of their individual operations, which in Jay's case were estimated to contribute a 0.3% decrease in calf survival and 0.15% decrease in fecundity beyond the 2014 base case. For developments in NWT that meet the criteria under of Section 95 of the Wildlife Act, the mitigation approaches would be captured in the Wildlife Management and Monitoring Plans.

To address residual impacts that remain after on-site mitigations are applied at the project level, the concept of offsetting can come in to play. The Business and Biodiversity Offsets Program¹ defines biodiversity offsets as: "measureable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development after appropriate prevention and mitigation measures have been taken." Following the October 1st compensatory mitigation meeting hosted by Dominion Diamond, GNWT agrees that there could be a role for offsetting in the case of the Jay project but acknowledges that, given the newness of this approach in the NWT, there are challenges around measurability of outcomes. Typically, application of such actions would occur off-site, and GNWT agrees with the notion discussed at the workshop that in the case of the Jay project, the Ekati mine would be considered the closest "off-site" area for application of conservation actions such as enhanced mitigation and reclamation. Given measurability challenges, questions about the effectiveness of certain mitigations and uncertainty regarding the causes for the decline and how to best improve the state of the herd, GNWT feels there is a place for research as a complementary component of such a plan. A compensatory mitigation plan that includes a focus on reducing the extent of the zone of influence and associated research (e.g. dust management and research), improving the permeability of the entire Ekati site (e.g. convoys, breaks in traffic), accelerated progressive reclamation, development of best practices for industry and a contribution to the larger understanding of cumulative effects on the Bathurst herd to help reduce uncertainty can help to mitigate the cumulative effects associated with the Jay project.

With respect to off-setting requirements for other foreseeable future developments, trade-offs or compromises applied at a range scale could place some limits on the timing, activities or location of future developments before they occur. Potential compromises or trade-offs that may be appropriate to

¹ http://bbop.forest-trends.org/pages/biodiversity_offsets

offset cumulative effects associated with development in general on the range of the Bathurst herd can include, but may not be limited to:

- Strategic temporal or spatial placement of future developments (e.g. limits to development, seasonal restrictions on operations)
- Focusing developments in existing areas
- Protection of key habitats (e.g. water crossings, calving and post calving areas)
- Reclamation and identification of priority areas and projects for future habitat enhancement projects
- Traffic and access management on roads
- Fire management

Implementation of any of these actions would involve evaluating their effectiveness in supporting Bathurst herd recovery as well as any potential economic or cultural trade-offs. The Bathurst Range Planning process is using a collaborative structured decision-making approach to examine exactly these questions². Currently the Range Planning working group is compiling the data layers and information on indicators that will be the basis for this trade-off analysis. While it is difficult to comment on which of these approaches, or combination of approaches, will be deemed most tenable, they are all on the table for now.

For future developments that fit into the broad plan or context being proposed under the Range Plan, it is expected that mitigation actions at the site level would in part be guided by the larger framework of potential trade-offs at the range scale (e.g. caribou protection measures, seasonal shut downs, road closure, etc.) and by the experience of previous operations (i.e. best practices). The need for further offsetting would then be assessed on an individual project basis through environmental impact assessment processes.

GNWT will include further discussion of offsetting in its closing argument, as required.

² Information on the Range Planning process is available on the public registry for the Jay EA.