



On Screen prior to intro and during intro.

Good morning, Mr. Chair, Commission members, Chiefs, elders, youth, ladies and gentlemen.

Introduction and Roles

Shawna Pachal

- Power Projects Development, Manitoba Hydro

Victor Spence

- Cree Nation Partners: Tataskweyak Cree Nation, War Lake First Nation

George Neepin

- Fox Lake Cree Nation

Ted Bland

- York Factory First Nation



I'm Shawna Pachal, Power Projects Development Division Manager for Manitoba Hydro and I'm here as part of Manitoba Hydro's Senior Executive Team which has primary responsibility for the development and operation of the Keeyask project.

To undertake this project, Manitoba Hydro and our First Nation partners, Tataskweyak Cree Nation, War Lake First Nation, Fox Lake Cree Nation and York Factory First Nation have formed The Keeyask HydroPower Limited Partnership.

Together, today we are pleased to present a snapshot of the proposed Keeyask Project and following my comments, you will hear from the partner First Nations.

We look forward to presenting more detail at the hearing scheduled for next month in Winnipeg.

We are confident that when these hearings conclude we will have demonstrated the environmental merits of the Project to the satisfaction of this Commission so you are able to recommend that the Province grant regulatory approval to proceed.

As you will hear from our partner First Nations, in addition to working directly with Manitoba Hydro on this Environmental Assessment they developed and undertook their own independent community-specific environmental evaluation based on their own experiences and perspectives. The Partner First Nations saw an opportunity for current and future generations to benefit from Keeyask.



History and How Things have Changed

We at Manitoba Hydro are honoured the Cree Nations have joined us in this partnership and appreciate the extraordinary efforts they have made to work with us in a respectful and meaningful way.

We are well aware the past history of power development along the lower Nelson River has been difficult and hurtful to the Cree People and we understand their northern environment and way of life has been changed dramatically in small and large ways. However progress has been made in many areas, including employment where close to 50% of our Northern workforce is now Aboriginal.

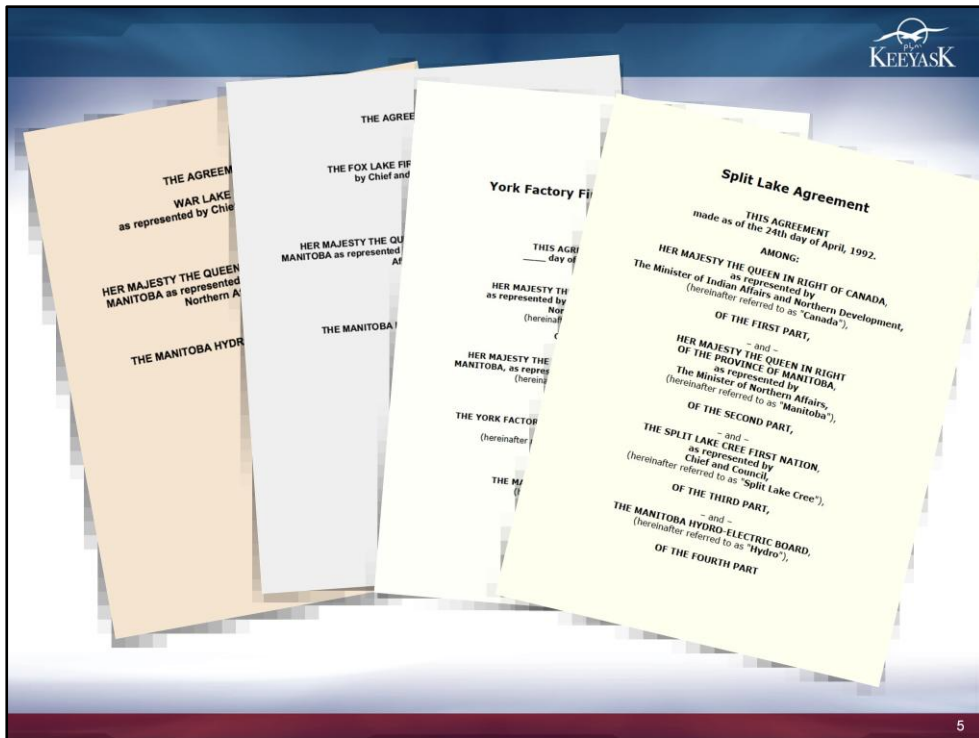
That said we acknowledge that concerns have been expressed by the First Nations related to racism in the workplace, and we are working with the First Nations to clarify and address their concerns. We recognize that the bringing together of different cultures creates the potential for conflicts and misunderstandings, as well as opportunities for learning and the exchange of ideas.

There is no question that Hydro development in northern Manitoba has been extensive, with large changes to river systems, including the lower Nelson – the place the Keeyask Cree Nations call home.



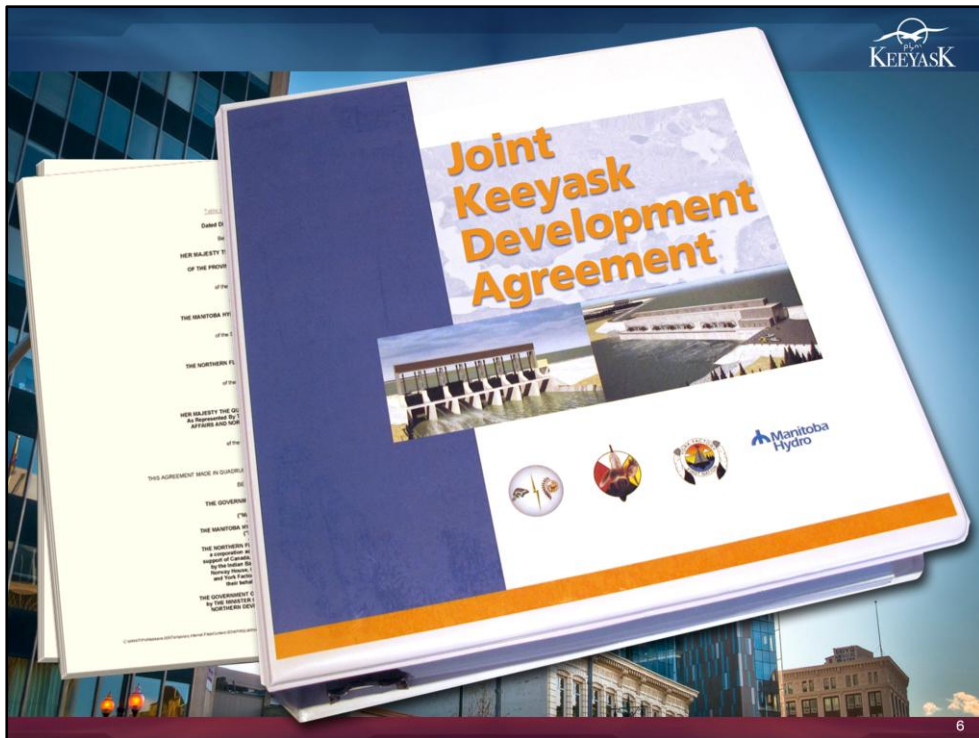
In developing these earlier projects, Manitoba Hydro used development practices of the day that would not be considered acceptable today. Efforts to inform, consult or involve local communities in the process were either missing or much more limited, with a very different understanding of Aboriginal rights and interests.

Project effects were not fully understood or appreciated – both within communities and at Manitoba Hydro. This meant initial mitigation was inadequate and a lot of work had to be done to account for project effects well after the projects were developed.



Leading up to and throughout the Keeyask process, policies, procedures, understandings and attitudes within Manitoba Hydro have changed. The impact of resource development on Aboriginal people and the environment is now better understood, as is the imperative to consult with and involve those most affected by developments to ensure the projects are better – both socially and environmentally.

The Manitoba Hydro that negotiated the Northern Flood Agreement and subsequent Implementation Agreements of many years ago is not the same Hydro that negotiated the Joint Keeyask Development Agreement or participated in the Keeyask Environmental Assessment.



The Joint Keeyask Development Agreement is at the core of how Manitoba Hydro and the Partner First Nations will go forward. It includes Governance, the Regulatory Process, the Project Description, Adverse Effects, Training and Employment, Business Opportunities, Business Arrangements/Income Opportunity and Dispute Resolution. It defines and is the foundation of a strong and fair partnership arrangement.

During negotiations, Manitoba Hydro committed it would not proceed with the Project for export purposes if the Partner First Nations did not support the Project. This is a really important point, because this meant the Partners and Manitoba Hydro had to reach an agreement that was satisfactory to both parties if the project was to be advanced for export.

The main focus of the companion Adverse Effects Agreements is a series of community-based programs designed to offset unavoidable adverse effects on the practices, customs and traditions integral to the Partner First Nations.

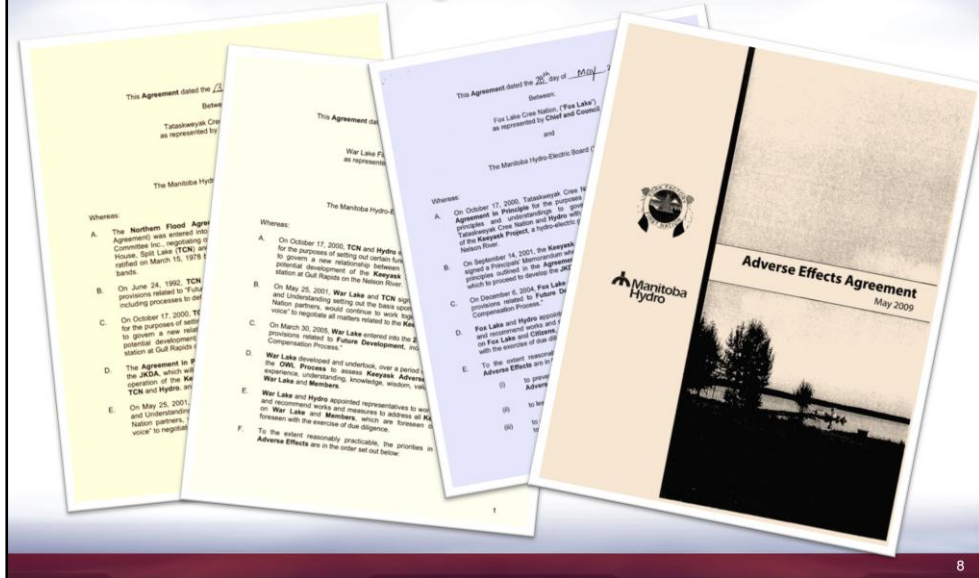


These include opportunities for hunting, fishing, and trapping for food beyond the Keeyask area; Cree language programs; and programs providing youth and young adults with opportunities to experience a traditional lifestyle.

The agreements also contemplate a process to address any adverse effects that were not anticipated or foreseen and which were identified from the environmental impact assessment process.

The four Partner First Nations will implement the programs and some are already underway with a community approval process contemplated if there are to be changes to any of the programs.

Adverse Effects Agreements



Negotiating both the Joint Keyask Development Agreement and the separate Adverse Effects Agreements, all of which were validated through community referendum processes and signed in 2009 with each First Nation, has taken a tremendous decade-long effort.



Process funding of approximately \$140 million, amounting to about 2% of the total project cost, was provided over the ten-year period to ensure the four Partner First Nations had the necessary legal and technical support and funding for studies, technical tables, community meetings and overall involvement.

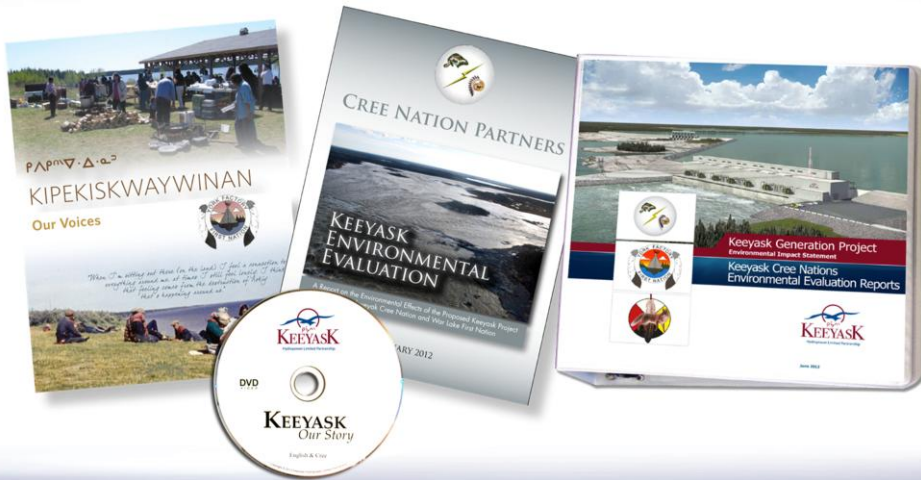
Two-track Assessment Process



Two-track Process

This partnership has been a true collaboration – one that has resulted in a unique two-track approach within the Environmental Impact Statement and project assessment. One track was led by the Cree Nations who evaluated the Project based on their Cree Worldview and 50 years of experience with hydroelectric development.

Environmental Evaluation Reports



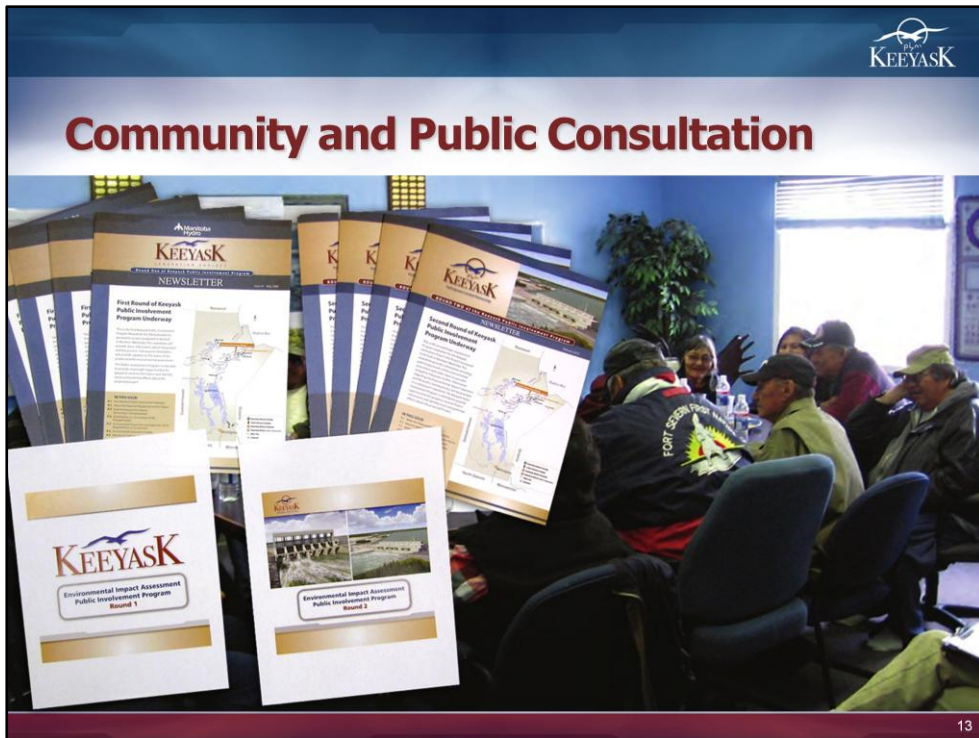
These assessments are presented in the Keyyask Cree Nations' Environmental Evaluation Reports and are part of four joint environmental impact statement. They have been given equal weight and respect alongside technical science.



The other was led by the Partnership, including Manitoba Hydro and the Partner First Nations, and assessed the effects of the Project in terms that are consistent with Federal and Provincial regulatory requirements. This regulatory track included preparation of a technical, science-based environmental assessment that is provided as well in the Partnership’s Environmental Impact Statement.

These two tracks however should not be thought of as two silos, but rather as a necessary way to incorporate and understand two ways of looking at the project. The Project and the assessment are infinitely better as a result of this collaboration and mark an unprecedented approach in the history of Manitoba Hydro and we believe in environmental assessments anywhere.

These arrangements for working together were negotiated early on through a 2000 Agreement in Principle between Manitoba Hydro and Tataskweyak Cree Nation and were ultimately formalized in the Environmental and Regulatory Protocol included in the Joint Keyask Development Agreement that was signed by all the partners.



Community and Public Consultation

The Keeyask EIS process has included intense consultation, discussion and communication – hours, days, months and years. This involved each partner First Nation conducting its own intensive consultation process with its Members and within their own communities. Between the period 1998 to 2009, the Cree Nation Partners held nearly 2100 meetings of the following types related to the Keeyask Project: information, negotiations, reference group, general membership and youth. York Factory First Nation and Fox Lake Cree Nation also undertook intensive consultation processes which are explained in more detail in the EIS Submission. The Partner First Nations reviewed all aspects of the EIS and it could not be filed until there was agreement with its contents. Throughout, the Partner First Nations have maintained their identity, integrity and strengthened their influence and capacity.

Public Involvement Program

Round One: 2008
Project Description and
Issue Identification

Round Two: 2012
Preliminary
Environmental
Assessment Results

Round Three: 2013
Final Environmental
Impact Statement Review



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As well, we have undertaken an extensive public involvement process throughout the North as well as held open houses in Winnipeg and Brandon open to all stakeholders who wanted to participate. It has provided opportunities for communities, groups and organizations to learn about the project and provide input to the project.

Three rounds of formal public involvement meetings took place between June 2008 and July 2013 for a total of 74 events.

Public Involvement events included meetings and sessions with Chiefs and Councils, municipal leaders and representative organizations such as MKO and KTC through community meetings, workshops and open houses.

Over the five years in excess of 130 groups, communities and organizations were invited to participate, including Cross Lake First Nation/Pimicikamak Okimawin, Shamatawa First Nation as well as the Manitoba Metis Federation.

Cross Lake First Nation/Pimicikamak Okimawin and Manitoba Hydro continue to meet regularly through Northern Flood Agreement Article 9 consultation process which includes ongoing discussions about the Project.

The Manitoba Metis Federation and Manitoba Hydro continue to meet to explore the interests of its members in the Project area and following more than 30 meetings over several years an agreement was reached on a work plan to undertake a Metis-specific Traditional Land Use and Knowledge study and a socio-economic assessment.

Shamatawa First Nation participated in Rounds 2 and 3 of the public involvement process.

Peguis had opportunity to participate in the initial process and after application for participant status, Peguis was invited to a workshop as part of the Round 3 Public Involvement Process.



Most importantly, the Partner First Nations have been influential and effective in identifying and advocating measures to reduce the Project’s environmental effects based on their knowledge of the land and their experience with previous projects.

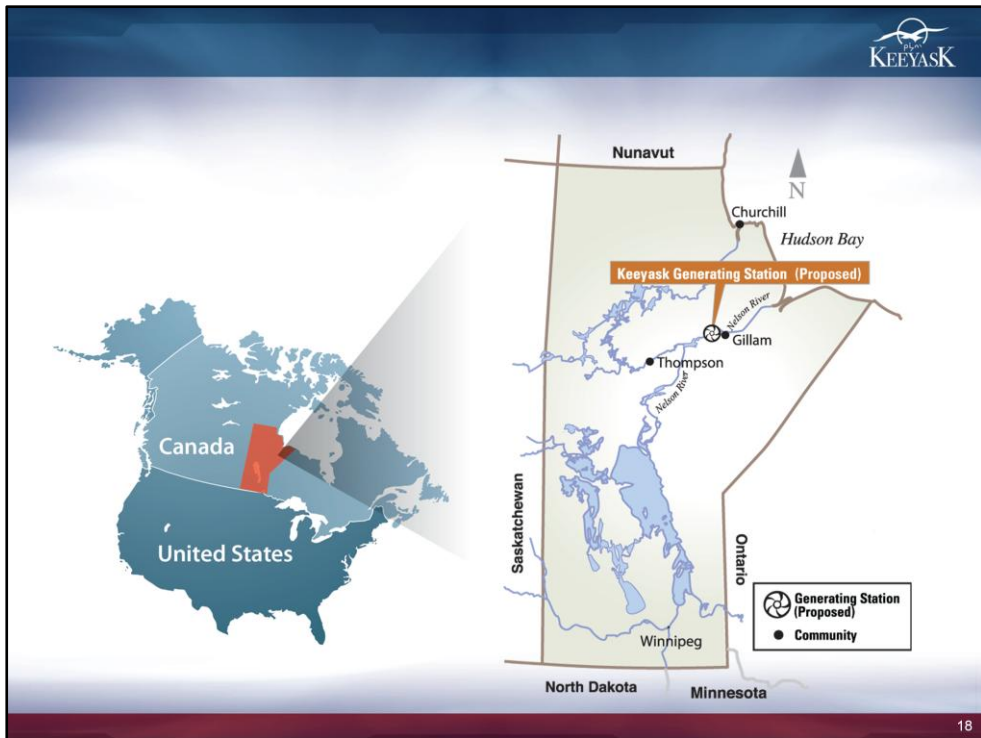
They have substantially shaped Project plans and the overall environmental-assessment process. Their early involvement and participation resulted in modifying the design, size, and location of the Project, and helping identify measures to avoid, reduce and mitigate adverse Project environmental effects and enhance positive benefits.



Our Partners also influenced plans that were made for clearing the reservoir, waterways management, ice monitoring, navigation and hazard marking, and reclamation of disturbed sites.

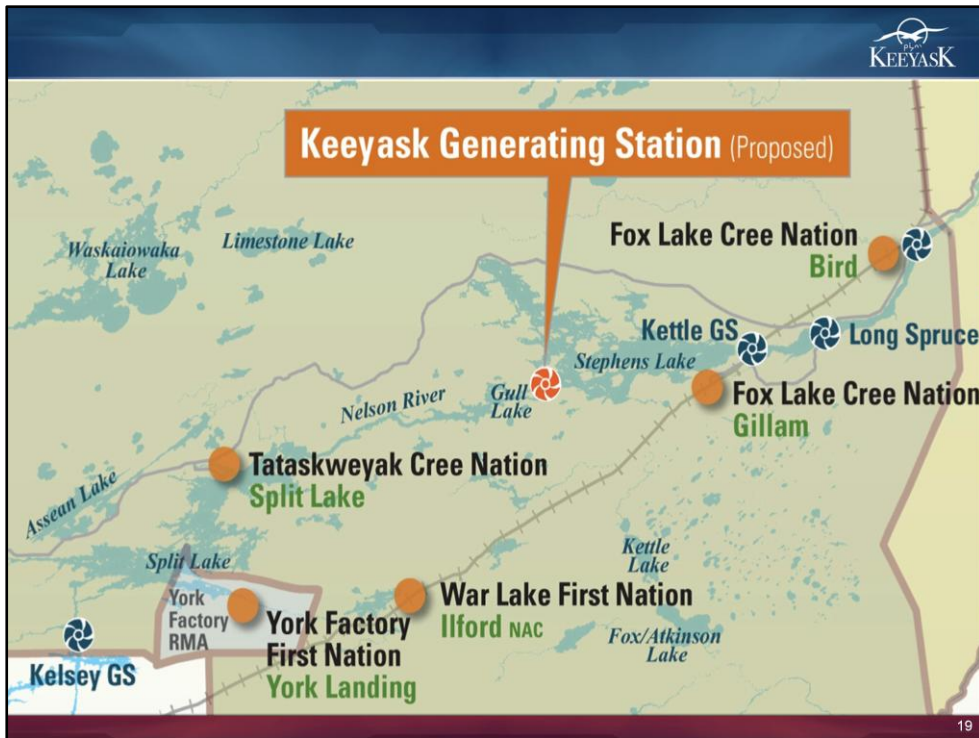


Symbolically, but notably, the Keeyask Cree Nations early in the process changed the Project name for Gull Rapids to Keeyask – the Cree word for gull. It was a sign and signal their participation would be influential and pivotal – and it has been.



Project Description

The result has been a thoughtful, carefully planned and designed project. I'll briefly describe it to you.



If approved, it will be built within the Split Lake Resource Management Area immediately upstream of Stephens Lake between two existing Manitoba Hydro generating stations, Kelsey developed in the late 1950s, and Kettle Rapids in the early 1970s. It is in an area traditionally used by all the Partner First Nations.

The nearest communities are Split Lake home of Tataskweyak Cree Nation to the west and Bird, home of the Fox Lake Cree Nation. Gillam, the location of Manitoba Hydro’s operation centre and Fox Lake Cree Nation, are 31 kilometres to the east. War Lake First Nation at Ilford on the Hudson Bay rail line and York Factory First Nation at York Landing on Split Lake are located southwest of the Project.

Manitoba Hydro made a business decision, in response to First Nation proposals, to negotiate partnership arrangements with these First Nations based, in part, on their vicinity to the project and their historical relationship with MH so we could provide these in-vicinity communities with an opportunity to have a say in and benefit from these future developments



It will be a 695-megawatt hydroelectric generating station with seven turbines plus supporting infrastructure located at Gull (Keyask) Rapids on the lower Nelson River 180 kilometres northeast of Thompson.

It will include a powerhouse with seven turbines, seven-bay spillway, three dams, two dykes and a reservoir.



The spillway will manage surplus river flows, and the dams and dykes will contain the reservoir created upstream of the principal structures. The reservoir level will operate within a narrow one-metre range. The full supply level will be 159 metres and the minimum operating level will be 158 metres.

There will be a permanent north and south access road, with the north access road now being constructed under the Keeyask Infrastructure Project, a transmission tower spur, a communications tower, borrow areas, excavated-material placement areas, boat launches, a portage and public-safety measures. Once the Project is constructed, the north and south access roads will be connected with the Project and will be integrated into the provincial highway network.

The Project will also include plant operation and decommissioning of temporary infrastructure such as construction camp facilities and work areas after construction is completed.

Keyask Generating Station – Technical Components

Rated Capacity • 695 Megawatts

In-service Cost • \$6.2 Billion

Production • 4,400 gigawatt hours (annually)

Construction Period • 2014 – 2019

- **Produces enough electricity to supply nearly 400,000 homes**

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If built, Keyask is estimated to cost \$6.2 billion and will be the fourth-largest generating station in Manitoba with an average annual electricity production of about 4,400 gigawatt-hours, enough to power approximately 400,000 homes.

Subject to regulatory approval, Project construction will begin in 2014, with first power produced in 2019 and construction and site rehabilitation completed in 2022 – an eight-and-a-half-year process.

Keeyask Infrastructure Project (KIP)

**Includes 25 Kilometre Access Road
and Camp Facilities**

Regulatory Approval 2011

Creating Employment

**Enables Timely Construction of the
Keeyask Generating Station**

The Keeyask Infrastructure Project, which includes the 25-kilometre North access road to the Keeyask site and camp facilities for construction workers, received regulatory approval in 2011. It is creating employment and will assist in enabling timely construction of the Keeyask Generating Station.

Keyyask Transmission Project

- Construction Power Transmission Line
- Unit and Outlet Transmission Lines
- Switching Station

Completion Planned for 2019

The Keyyask Transmission Project (KTP), which includes various Transmission lines and a Switching Station, is awaiting regulatory approval. Its completion is planned to coincide with the proposed 2019 Keyyask Generating Station in-service date.



There is no doubt the Project, without mitigation, would cause environmental and socio-economic effects, some with the potential to be significant. To avoid this, the Partnership has or will mitigate, remediate and compensate for these effects using past experience, Aboriginal Traditional Knowledge and state-of-the-art scientific and engineering techniques.

Reduced Flooding

High-head Option:
183 square kilometers

Low-head Option:
45 square kilometers

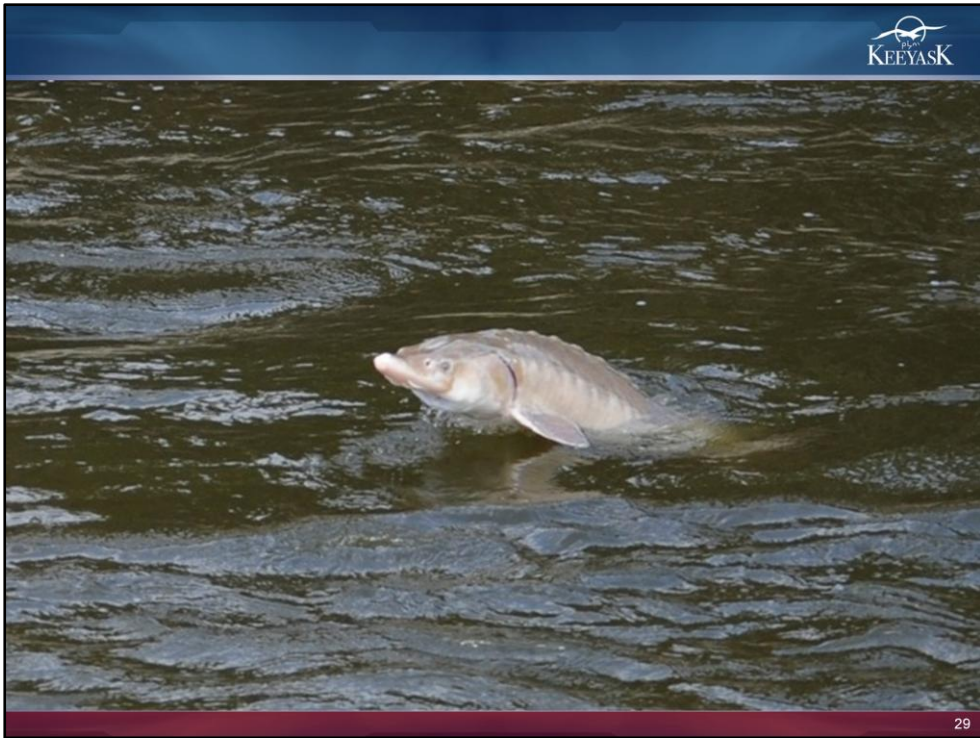
The most telling example of the Partnership balancing environmental considerations against financial considerations is the scaled reduction of the plant from the original design for 1150 megawatts which would have flooded 183 square kilometres to the proposed 695 megawatt plant that will flood about 45 square kilometres – less than a quarter as much.



I want to specifically comment on Sturgeon, Namao, because they are so culturally and spiritually important to the Cree and because of their special status as a heritage species in Manitoba. Sturgeon have been designated as endangered and are being considered for listing under the Species at Risk Act.



We believe that sturgeon in the Keeyask region will be better off with Keeyask than without it. A combination of mitigation measures, including habitat enhancement and a large-scale stocking program, is an integral part of the project. These measures will not only maintain existing stocks of lake sturgeon, but will increase overall numbers in the region.



Plus, the enormous amount of knowledge collected on sturgeon through the Keyask studies will contribute to the ongoing management and protection of sturgeon throughout Manitoba.

KEEYASK

- ✓ Lake Sturgeon
- ✓ Caribou
- ✓ Mercury, Fish and Human Health
- ✓ Water Quality
- ✓ Flooding, Erosion, Sediments and Debris

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Other key aspects of the Environmental Assessment are;

Caribou effects will be minimized by limiting clearing and blasting during calving season,

Mercury, Fish and Human Health mitigation measures have been developed so Partner First Nations members can safely eat fish,

Water Quality effects will be managed to avoid harmful effects to aquatic life and

Flooding, Erosion, Sedimentation and Debris will be mitigated through implementation of Reservoir Clearing Plan, Waterways Management Program and Sediment Management Plan

Keeyask Project Benefits



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Benefits - There are many benefits of the Project for the Partner First Nations including:

There will be business opportunities through Direct Negotiated Contracts valued at \$203 million in addition to supplemental work

Second, employment mechanisms through the Direct Negotiated Contracts, the Burntwood Nelson Agreement preference provisions and the Operational Jobs Framework are designed to optimize Partner First Nation employment. The JKDA includes a Project employment target of 630 person years and a target of 182 jobs in MH's Operations. This target is to be achieved through a 20 year funding commitment that includes collaboration between the First Nations and Manitoba Hydro.

Third, a \$60 million pre-project training Initiative that trained members for employment on Wuskwatim, Keeyask and other industries. On-the-job training programs at Keeyask will provide further training opportunities

Fourth, Partner First Nations have an the opportunity to become equity partners through the purchase of up to 25% ownership shares in the Project that will generate future income streams for the communities.

More generally, the Project will also benefit Manitobans at large. It will create more than 4000 person years of employment that will help build skills, capacity and experience

Finally, the project will be a major contributor to Manitoba's economy by generating revenues through power sales locally and to customers in other provinces and the U.S. Earnings will flow to the Partner communities through their equity investments as well as to the Province through Manitoba Hydro. These revenues will contribute to Manitoba having among the lowest cost electricity service in North America and produce long-term, secure, renewable energy for Manitobans and our export customers.

Partner First Nation Involvement



Partner First Nation Involvement

Keyyask provides an innovative model for First Nation and corporate partnership and has been specifically and locally designed to ensure the Partner First Nations have a role in the ongoing governance of the project as members of the Partnership Board and various committees for employment, construction and monitoring. The First Nations will also have Implementation Offices to manage their Project-related activities.

They will play a major role in the Environmental Protection Program which includes ongoing monitoring programs that will include the use of Aboriginal Traditional Knowledge.



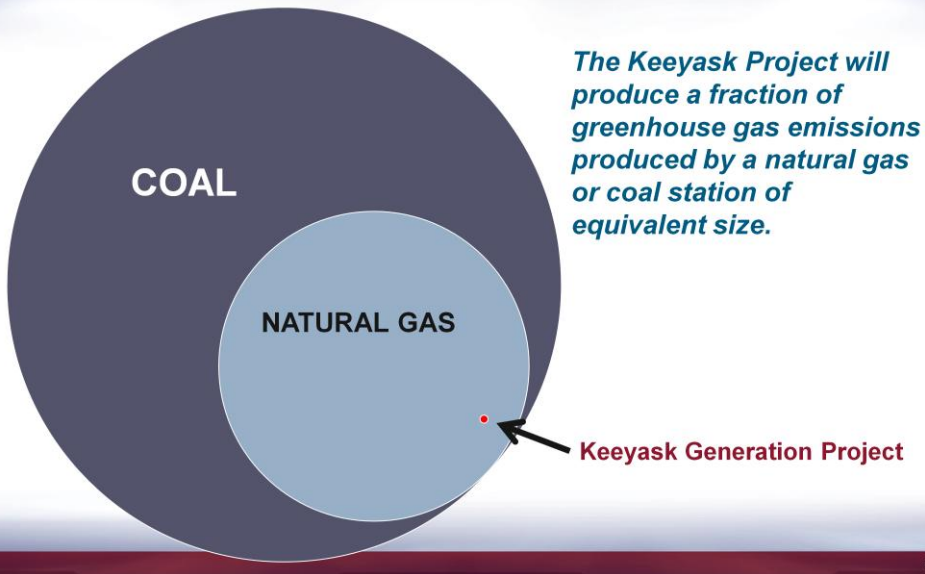
Wrap –Up

In summary, we see this as new era of partnership and the First Nation Partners are involved in all aspects.

The project is consistent with federal and provincial principles of sustainable development. The Partnership has addressed potential Project impacts through mitigation measures and offsetting programs such as alternative location resource harvesting and monitoring programs that will allow us to review actual effects and respond accordingly.

The Partnership is convinced its Environmental Assessment will demonstrate that the adverse effects of the project, with the mitigation that is planned can be effectively managed.

Sustainable with Low Emissions



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Hydroelectric power generation remains the most environmentally sustainable and cost effective bulk electricity supply alternative in the world, with virtually no emissions compared to coal or natural gas. These are qualities our Manitoba and export market customers value as they move forward in greening their own operations and economies. When viewed globally, the project will create a net benefit and we will show the environmental risks associated with the proposed development are relatively low and readily manageable.

Keyask Generation Project
CEC Hearings - Environmental Impact Statement

Thank You

pL-n
KEYASK
Hydropower Limited Partnership

The image is a promotional graphic for the Keyask Generation Project. It features a large background image of a hydroelectric dam and power station situated on a wide river. The dam structure is long and low, with water flowing through several spillways. A large industrial building, the power station, is located downstream of the dam. The sky is a clear, pale blue. In the foreground, there is a dark blue banner with white text. To the left of the main image, there are three smaller inset images: a bald eagle in flight, a large fish (likely a salmon) jumping out of the water, and a view of a wetland or marshy area. The logo for 'pL-n KEYASK Hydropower Limited Partnership' is located in the bottom left corner of the graphic.

Thank you. We look forward to these hearings and the rigorous examination of a project in which we believe.