

EXECUTIVE SUMMARY

Northwest Cascade Power Inc. (NWCP) is submitting this application to adjust the boundaries of Pinecone Burke Provincial Park to create a 4.5 km long and up to 46 m wide utility corridor for a transmission line. The transmission line is required to transmit 180 MW of electricity from interconnected run of river hydropower projects in the upper Pitt River watershed to the Cheekye substation at Squamish. The upper Pitt River watershed is surrounded by provincial parks (Figure 1). Studies of potential transmission line route options (located at Tab 8 of the binder) found that there is no feasible alternative to avoid a park crossing, and as such, the project will not proceed without a park boundary adjustment.

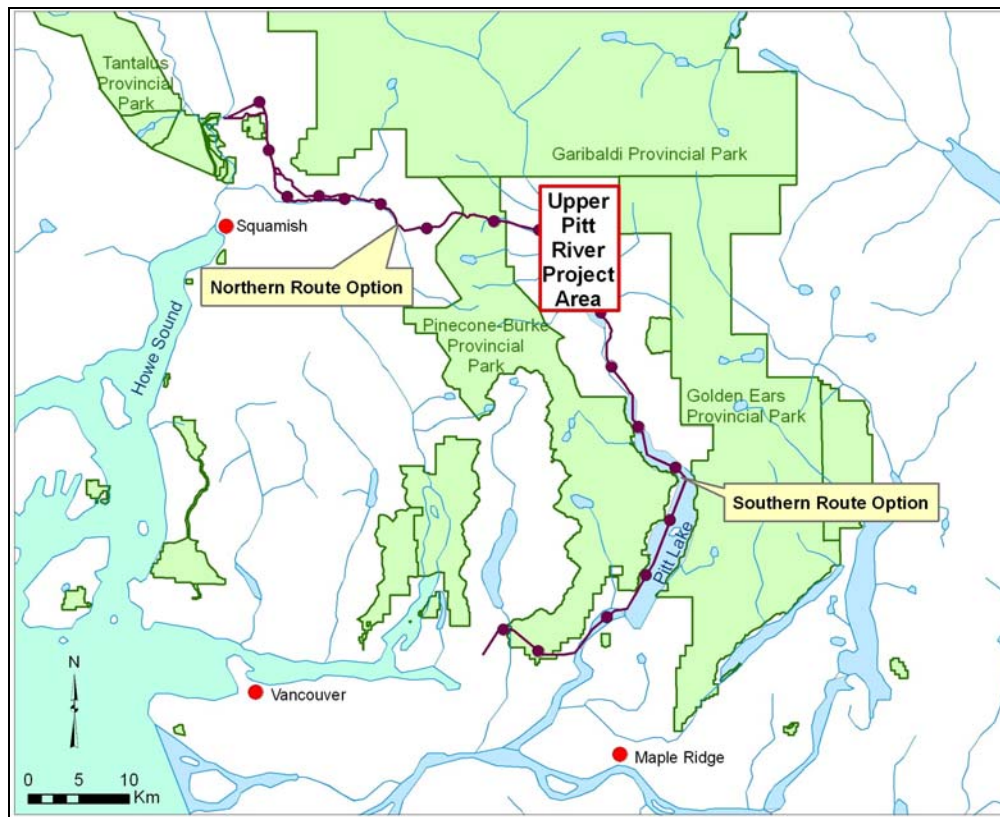


Figure 1. General project location and transmission routes considered.

The Need for the Project

The Upper Pitt River Waterpower Project is proposed in response to the initiatives of the BC Government and BC Hydro for the creation of new electricity generation capacity in the Province. The electricity that the project will generate is to be sold to BC Hydro under long-term contract. The 2007 Provincial Throne Speech set out a commitment for the Province's energy plan to require that 90% of B.C.'s electricity come from clean, renewable sources, and stated that all

electricity produced in B.C. will be required to have net zero greenhouse gas emissions by 2016. The proposed project will assist in achieving these two goals.

Pinecone Burke Provincial Park Creation and Management Planning

Pinecone Burke Provincial Park was declared a Class A park in 1995. In 1992 the area was declared a Protected Areas Strategy Category Two Site and a Study Team was formed to research the site and make recommendations regarding park formation. Three options were identified for the park area, and in 1994 the largest of the three (Option C) was selected based on eight votes from Study Team members: the remaining seven votes were split between two smaller park area options, neither of which included Crawford-Steve Pass where the proposed transmission line is to be located.

The Study Team noted that the larger park option *“would have a negative impact on any future plan to provide access to the upper Pitt Valley, if an access corridor is not part of a protected area Master Plan.”* Currently, Pinecone-Burke Provincial Park is not zoned and the management plan has not been completed.

Park Boundary Adjustment Policy and Process

The proposed transmission line corridor is not permissible under the *Park Act*. The Minister of Environment will consider such proposals where the public interest may warrant modifying park boundaries to remove the affected area from the park. Since 2000, the Ministry has had a policy in place outlining how such proposals will be reviewed. In 2004, Government updated that policy, and issued the *Provincial Park Boundary Adjustment Policy, Process and Guidelines* (the Policy).

NWCP has made a formal application, consistent with the Policy, to the Director, Parks and Protected Areas Branch, Ministry of Environment, for review and consideration of the park boundary adjustment. It is anticipated that this application and supporting documentation will enable the Director to make a favorable recommendation regarding the park boundary adjustment to the Minister of Environment for consideration in the Spring 2008 legislative session.

The Policy sets out guiding principles for evaluating proposals such as this one. Legislative decisions to approve such boundary adjustments are based on the proponent’s ability to demonstrate that:

1. Alternatives to avoid the park have been considered;
 2. Overall economic benefits to the Province have been documented;
 3. Social and environmental impacts have been documented;
 4. Mitigation and restoration has been identified;
 5. First Nations have been adequately consulted; and,
 6. Local community has been consulted.
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Detailed supporting documentation for the application for the Pinecone Burke Provincial Park Boundary Adjustment is provided in Tabs 3 to 10 of the binder. Provided below is a summary of how this proposal addresses the six requirements of the *Park Boundary Adjustment Policy, Process and Guidelines*.

1. Alternatives to Avoid the Park have been Considered

A detailed comparative assessment of route alternatives was undertaken as part of the project design and impact assessment (Tab 8). Due to the location of the project and viable BC Hydro interconnection points, there is no feasible alternative that would avoid a park crossing. Two potential transmission routing options, both of which would require a park boundary adjustment, were identified and evaluated based on technical, environmental, social, recreational, visual and cost criteria (Tab 8). Based on the results of the comparative evaluation, the proposed 'Northern Route Option' was selected.

2. Economic Benefits to the Province

Provincial benefits associated with the \$350 million project have been determined based on the British Columbia Input Output Model, an econometric model used by the Province. The reported employment figures, contributions to GDP, and provincial and federal taxes generated are specific to the Upper Pitt River Waterpower Project. It is noteworthy that the proponent's future plans include development of three projects in the Mamquam watershed that will utilize the same transmission line infrastructure west of the park to the Cheekye substation at Squamish. Benefits of the project include:

Approximately 1,950 person-years of employment will be created consisting of:

- 1,487 direct and indirect person years; and,
- 463 induced person years.

Gross Domestic Product (GDP) at a factor cost will contribute \$129.1 million dollars to the community consisting of:

- \$100 million in direct and indirect impacts; and,
- \$29.1 million in induced impacts.

\$5.3 million paid to the Province annually for water license and land tenure fees.

\$14.8 million in provincial taxes consisting of:

- \$10.2 million in direct and indirect tax revenues; and,
- \$4.6 million in induced tax revenues.

\$12 million in federal tax revenues consisting of:

- \$8.1 million in direct and indirect tax revenues; and,
 - \$3.9 million in induced tax revenues.
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Appendix A of the Impact Assessment (Tab 3) provides details of the economic benefits. Construction-related costing was provided by NWCP engineers, based on similar projects.

3. Social and Environmental Impacts

The Upper Pitt River Waterpower Project will generate an estimated 557 GWh of renewable energy annually: enough clean, green electricity to supply more than 55,700 homes. The energy produced will be equivalent to a reduction of 200,520 to 476,235 tonnes CO₂/yr when compared to electricity derived from gas and coal, which presently make up the bulk of the electrical energy imported for use in British Columbia. These are non-renewable, polluting energy sources whose power generation facilities emit greenhouse gases, considered the major contributing factor to global climate change and related negative environmental impacts in British Columbia and around the world.

The entire hydropower project is to be reviewed in detail through the environmental assessment certificate process under the *British Columbia Environmental Assessment Act (BCEAA)*. The Environmental Assessment Office has issued an order under Section 10 of the *BCEAA* requiring an environmental assessment certificate for the proposed project, and the *BCEAA* process is proceeding simultaneously with the park boundary adjustment application process.

The proposed transmission line would affect approximately 21 ha of the 38,000 ha park, or about 0.05% of the area. The high elevation pass through which the transmission line would travel is snow covered most of the year and has relatively low utilization by wildlife. The key environmental impacts would be vegetation removal and wildlife disturbance, and no significant impacts are predicted based on the recommended impact mitigation measures (Tab 3).

Details regarding potential impacts related to the proposed transmission line are provided in the Impact Assessment (Tab 3). The utility corridor was designed based on consideration of key environmental constraints, including terrain stability and avalanche risk (Tab 5), wetlands and old growth forest areas. Helicopter-based construction is planned to erect the 22 wooden pole structures required for the park crossing, which will have a minimal footprint within the proposed Protected Area and which will not create new access for vehicles into the park. The pass has very little recreation use and only one hiker was recorded using this area during 2007. The project area is remote, and the potential for negative social impacts, including visual quality impacts (Tab 6), is low.

4. Mitigation and Restoration

Environmental impact mitigation was achieved primarily through the transmission route design process and construction methods. This was an iterative process driven primarily by consideration of environmental constraints and sensitivities (Tab 3). Detailed impact mitigation measures have been identified for key wildlife species and for all environmental aspects considered for both the construction and operation phases of the project (Tab 3). Restoration measures consist of revegetation of areas disturbed during construction, including the establishment of compatible endemic plant species beneath the transmission line.

The proposed boundary adjustment includes adding an adjacent 492 ha of Crown land to the park that includes identified goat winter range and grizzly bear habitat, and which is non-contributing to the regional timber supply (Figure 2). This area can become Class A parkland without resulting in a negative impact to the provincial economy or forest industry. The net 471 ha increase in park area will benefit wildlife, biodiversity, recreation and other park values, and will substantially mitigate residual and cumulative effects of the proposed transmission line development.

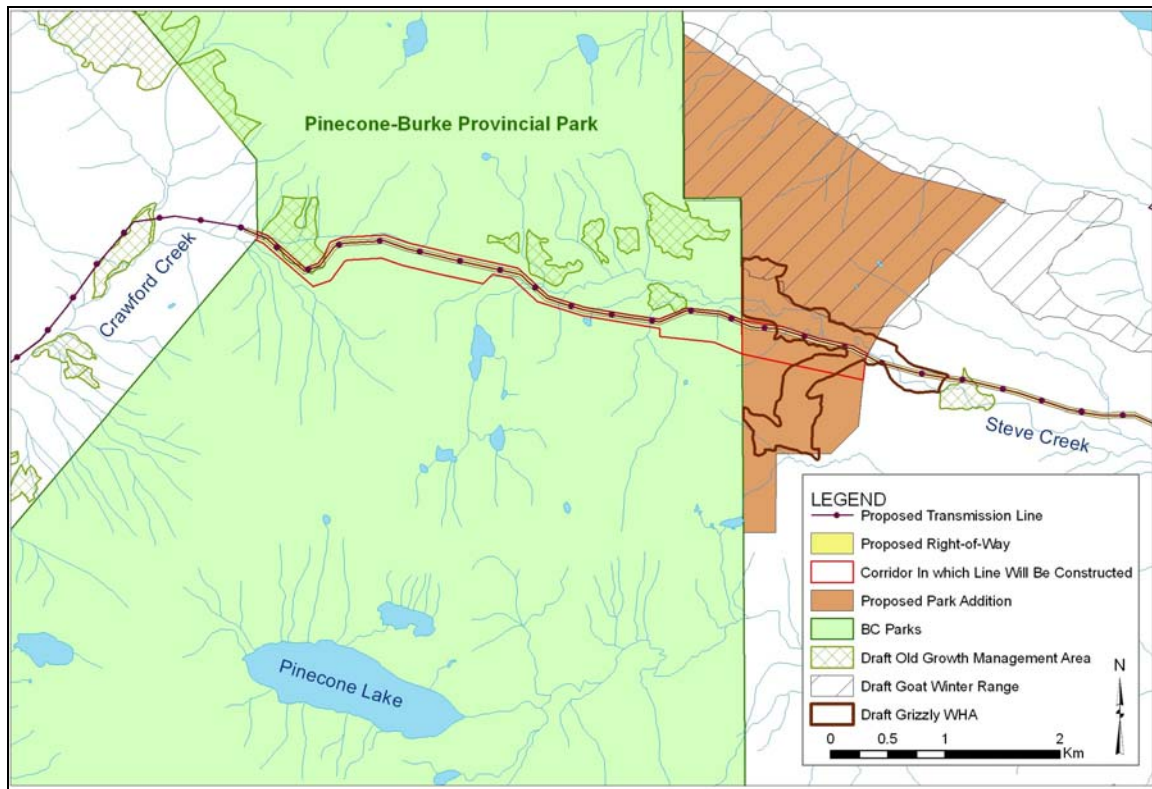


Figure 2. Proposed park crossing and park addition area.

NWCP is committed to providing benefits to the park and park uses, including building or contributing to the cost of facilities, and monitoring and research to support park planning and management.

5. First Nations Consultation

First Nations consultation has been extensive and is summarized in Tab 7. Activities include initiatives of the Environmental Assessment Office (EAO) as well as NWCP. The EAO circulated registered letters to approximately thirty-two (32) First Nations potentially affected by this project. To date the NWCP office has received little response for requests for additional information or consultation from the above. One letter response from the Kwikwetlem First Nation (Coquitlam First Nation) was received by the NWCP office, subsequently, NWCP met with the Coquitlam First Nation and provided a presentation and forwarded project materials to the band office. NWCP has also forwarded registered letters and a copy of the initial newsletter describing the project to seven local bands.

Parent company Run of River Power Inc. has negotiated a participation agreement with Squamish First Nation associated with the operation of its existing Brandywine Creek Hydroelectric facility situated near Whistler. NWCP has provided information and maps and undertaken a number of meetings with Squamish First Nation representatives related to the proposed transmission corridor. The *Sea to Sky Land and Resource Management Plan* (Land Use Designations: Completed First Nations Agreement Areas) indicates that the proposed corridor is an Integrated Forest Management Zone which allows for Independent Power Projects under the existing regulatory framework and policy. The Squamish First Nation has a number of outstanding land use issues along the corridor, and has indicated that they do not support the transmission line at this time. NWCP is aware of the issues and is continuing to consult with Squamish First Nation to work towards addressing their concerns.

The Katzie First Nation is participating with NWCP in the development of an employment strategy to optimize construction and operations jobs associated with the project. The employment strategy focuses on construction and operational opportunities for Katzie members, and support for capacity-building within the community. A job fair was held at the Katzie Band Office in November 2007 to solicit local interest and discuss training requirements associated with a range of jobs.

Over the last year NWCP has met with Katzie First Nation approximately twenty times to develop a relationship between the two parties. Those discussions have culminated in a letter from Katzie First Nation (dated December 3, 2007) stating Katzie First Nations' intent to negotiate a formal agreement with NWCP.

6. Local Community Consultation

NWCP has conducted extensive consultation with the local community (Tab 7). Public information sessions were held in Squamish and Pitt Meadows, and presentations were made to the City of Pitt Meadows, the Fraser Valley Regional District, the District of Squamish, and the City of Coquitlam (Tab 7).

As a result of feedback from the public information sessions and the meetings with municipal officials, NWCP sponsored half-day workshops with the Burke Mountain Naturalists, Western Canada Wilderness Committee, Alouette River Management Society, and the Alvin Residents Community Society. The presentation/workshops provided stakeholders with details regarding the proposed project and provided answers to questions about technical issues, environmental aspects, ongoing studies and the government review processes.

The Fraser Valley Regional District, in which the project is located, has written to NWCP to indicate an interest in developing an amenity package. Environmental NGO's indicated that they are opposed to the park boundary adjustment. Some municipal governments offered no objection to the project, providing that project infrastructure does not reside within municipal boundaries or impact local community infrastructure, and others expressed concerns if project infrastructure is located in their community. Public consultation is ongoing and formal public information and consultation sessions are planned for January 2008.

Conclusions and Recommendations

Conclusions

The Impact Assessment report (Tab 3) and the supporting documents demonstrate that the proposed project satisfies the requirements of the *Provincial Park Boundary Adjustment Policy, Process and Guidelines*. This includes demonstrating that due consultation has occurred, the project is in the public interest, has been designed to minimize potential adverse effects, and will provide benefits to the Province, the public and to Pinecone Burke Provincial Park.

Recommendations

It is recommended that the Minister accept the recommendations of the Impact Assessment report (Tab 3) and subsequently refer this application to the Legislature for consideration.
